

AGENDA
SAN ELIJO JOINT POWERS AUTHORITY
MONDAY SEPTEMBER 11, 2017 AT 9:00 AM
SAN ELIJO WATER RECLAMATION FACILITY – CONFERENCE ROOM
2695 MANCHESTER AVENUE
CARDIFF BY THE SEA, CALIFORNIA

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ORAL COMMUNICATIONS (NON-ACTION ITEM)
5. PRESENTATION OF AWARDS
 - Mike Piper – 15 Years of Service
6. * **CONSENT CALENDAR**
7. * APPROVAL OF MINUTES FOR JULY 10, 2017 MEETING
8. * APPROVAL FOR PAYMENT OF WARRANTS AND MONTHLY INVESTMENT REPORTS
9. * SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS – MONTHLY REPORT
10. * SAN ELIJO JOINT POWERS AUTHORITY RECYCLED WATER PROGRAM – MONTHLY REPORT
11. * ITEMS REMOVED FROM CONSENT CALENDAR

Items on the Consent Calendar are routine matters and there will be no discussion unless an item is removed from the Consent Calendar. Items removed by a "Request to Speak" form from the public will be handled immediately following adoption of the Consent Calendar. Items removed by a Board Member will be handled as directed by the Board.

REGULAR AGENDA

12. **BIOSOLIDS HAULING AND REUSE/DISPOSAL CONTRACT AMENDMENT WITH AG TECH, LLC**

1. Authorize the General Manager to execute an Amendment to the Biosolids hauling and reuse/disposal contract with Ag Tech, LLC to increase the total contract value by \$350,000; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

13. **AWARD OF ENGINEERING SERVICES FOR SOLIDS TREATMENT PROJECT**

1. Authorize the General Manager to execute an Engineering Agreement with Black & Veatch for the Solids Treatment Project for an amount not to exceed \$190,240; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

14. **CONSOLIDATION OF AGREEMENTS WITH THE OLIVENHAIN MUNICIPAL WATER DISTRICT FOR THE SALE OF RECYCLED WATER AND INFRASTRUCTURE MAINTENANCE**

1. Authorize the General Manager to consolidate existing agreements with the Olivenhain Municipal Water District for the Sale of Recycled Water and Infrastructure Maintenance; and
2. Discuss and take action as appropriate.

Staff Reference: General Manager

15. **2017 CLEAN WATER BONDS – SALE SUMMARY**

No action required. This memorandum is submitted for information only.

Staff Reference: Director of Finance and Administration

16. **CAPITAL IMPROVEMENT PROGRAM UPDATE**

No action required. This memorandum is submitted for information only.

Staff Reference: General Manager

17. GENERAL MANAGER'S REPORT

Informational report by the General Manager on items not requiring Board action.

18. GENERAL COUNSEL'S REPORT

Informational report by the General Counsel on items not requiring Board action.

19. BOARD MEMBER COMMENTS

This item is placed on the agenda to allow individual Board Members to briefly convey information to the Board or public, or to request staff to place a matter on a future agenda and/or report back on any matter. There is no discussion or action taken on comments by Board Members.

20. CLOSED SESSION

None

A closed session may be held at any time during this meeting of the San Elijo Joint Powers Authority for the purposes of discussing potential or pending litigation or other appropriate matters pursuant to the "Ralph M. Brown Act".

21. ADJOURNMENT

The next regularly scheduled San Elijo Joint Powers Authority Board Meeting will be Monday, October 9, 2017 at 9:00 a.m.

NOTICE:

The San Elijo Joint Powers Authority's open and public meetings meet the protections and prohibitions contained in Section 202 of the Americans With Disabilities Act of 1990 (42 U.S.C Section 12132), and the federal rules and regulations adopted in implementation thereof. Any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting of the SEJPA Board of Directors may request such modification or accommodation from Michael T. Thornton, General Manager, (760) 753-6203 ext. 72.

The agenda package and materials related to an agenda item submitted after the packet's distribution to the Board is available for public review in the lobby of the SEJPA Administrative Office during normal business hours. Agendas and minutes are available at www.sejpa.org. The SEJPA Board meetings are held on the second Monday of the month, except August.

AFFIDAVIT OF POSTING

I, Michael T. Thornton, Secretary of the San Elijo Joint Powers Authority, hereby certify that I posted, or have caused to be posted, a copy of the foregoing agenda in the following locations:

San Elijo Water Reclamation Facility, 2695 Manchester Avenue, Cardiff, California
City of Encinitas, 505 South Vulcan Avenue, Encinitas, California
City of Solana Beach, 635 South Highway 101, Solana Beach, California

The notice was posted at least 72 hours prior to the meeting, in accordance with Government Code Section 54954.2(a).

Date: September 6, 2017

A handwritten signature in black ink, appearing to read "M. Thornton", written over a horizontal line.

Michael T. Thornton, P.E.
Secretary / General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MINUTES OF THE BOARD MEETING
HELD ON JULY 10, 2017
AT THE
SAN ELIJO WATER RECLAMATION FACILITY

Ginger Marshall, Chair

Tasha Boerner Horvath, Vice Chair

A meeting of the Board of Directors of the San Elijo Joint Powers Authority (SEJPA) was held Monday, July 10, 2017, at 9:00 a.m., at the San Elijo Water Reclamation Facility at 2695 Manchester Avenue, Cardiff by the Sea, California.

1. CALL TO ORDER

Vice Chair Boerner Horvath called the meeting to order at 9:01 a.m.

2. ROLL CALL

Directors Present:

Tasha Boerner Horvath
David Zito
Joe Mosca
Greg Wade (*Solana Beach Alternate*)

Directors Absent:

Ginger Marshall

Others Present:

General Manager
Director of Operations
Director of Finance & Administration
Associate Engineer
Administrative Assistant/Board Clerk

Michael Thornton
Chris Trees
Paul Kinkel
Mike Konicke
Jennifer Basco

SEJPA Counsel:

Procopio, Cory, Hargreaves & Savitch

Adriana Ochoa

City of Solana Beach:

City Manager
Director of Engineering/Public Works

Greg Wade
Mohammad "Mo" Sammak

City of Encinitas:

Public Works Management Analyst

Bill Wilson

San Dieguito Water District:

General Manager

Bill O'Donnell

Roesling Nakamura Terada Architects

Joe Mansfield

3. PLEDGE OF ALLEGIANCE

Vice Chair Boerner Horvath led the Pledge of Allegiance.

4. ORAL COMMUNICATIONS

None

5. PRESENTATION OF AWARDS

None

6. CONSENT CALENDAR

Moved by Board Member Zito and seconded by Vice Chair Boerner Horvath to approve the Consent Calendar.

Agenda Item No. 7	Approval of Minutes for the June 12, 2017 Meeting
Agenda Item No. 9	San Elijo Water Reclamation Facility Treated Effluent Flows – Monthly Report
Agenda Item No. 10	San Elijo Joint Powers Authority Recycled Water Program – Monthly Report
Agenda Item No. 11	Authorization for the General Manager to Accept and Consent to Deeds and Grants

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca, Wade
NOES: None
ABSENT: Marshall
ABSTAIN: None

Agenda Item No. 8	Approval for Payment of Warrants and Monthly Investment Report
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Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Wade
NOES: None
ABSENT: Marshall
ABSTAIN: Mosca

12. ITEMS REMOVED FROM CONSENT CALENDAR

None

13. BUILDING PROGRAM AND COMMUNITY BIKE PATH UPDATE

General Manager updated the Board of Directors on the Building and Site Improvement Program. Key design considerations for the program were discussed and site drawings and draft building floor plans were presented.

No action required. This memorandum was submitted for information only.

14. AWARD CONSTRUCTION CONTRACT AND ENGINEERING SERVICES DURING CONSTRUCTION FOR THE SAN ELIJO WATER RECLAMATION FACILITY – PRELIMINARY TREATMENT UPGRADES

General Manager Thornton gave a brief background on the preliminary treatment system. The Preliminary Treatment Upgrades will construct new concrete treatment structures, install new mechanical screening and dewatering equipment, rehabilitate existing concrete channels and structures, and upgrade the odor control system. Staff received six construction bids, with NEWest Construction Company, Inc. submitting the lowest responsive and responsible bid. Mr. Thornton also stated that the SEJPA will require support from the engineer of record, Dudek, during construction.

The lowest responsive construction bid for the project is \$3,871,480. The negotiated fee for engineering support during construction is \$198,100. Staff also recommends including a contingency fund of \$193,570. The estimated cost to complete the project is \$4.65 million. The SEJPA has adequate funds available from the 2017 Clean Water Bond.

Moved by Board Member Mosca and seconded by Board Member Zito to:

1. Authorize the General Manager to award construction of the Preliminary Treatment Upgrades project to NEWest Construction Company, Inc. for an amount not to exceed \$3,871,480 and issue a Notice to Proceed at the time the General Manager deems appropriate; and
2. Authorize the General Manager to amend the professional services agreement with Dudek for engineering services during construction for the Preliminary Treatment Upgrades for an amount not to exceed \$198,100.

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca, Wade
NOES: None
ABSENT: Marshall
ABSTAIN: None

15. REGIONAL WATER QUALITY CONTROL BOARD SETTLEMENT OFFER NO. R9-2017-0070 FOR THE JANUARY 2017 TREATMENT PLANT UPSET

General Manager Thornton informed the Board of Directors that the SEJPA received a settlement offer from the Regional Board for the January 2017 biological treatment plant upset. The treatment upset resulted in non-compliance for NPDES effluent requirements of permit No. R9-2010-0087. The settlement offer agrees with the SEJPA assessment that the six areas of non-compliance were the result of one single event and provides one minimum mandatory penalty payment of \$3,000.

No action required. This memorandum was submitted for information only.

16. CONSTRUCTION CONTRACT CHANGE ORDER NO. 1 – SAN ELIJO LAND OUTFALL REPLACEMENT PROJECT

General Manager Thornton stated that in April 2017, the Board of Directors awarded the Land Outfall Replacement project construction contract to J.R. Filanc Construction Company (Filanc) for an amount of \$8,553,000. Staff, working with the project engineer, construction manager, and Filanc, reviewed the construction elements to determine if there were opportunities to reduce construction costs. Four items were determined to be feasible and valuable to both the SEJPA and the Filanc. These modifications will reduce the contract by \$158,082, without compromising project quality or permit compliance requirements.

Moved by Board Member Mosca and seconded by Vice Chair Boerner Horvath to:

1. Authorize the General Manager to accept Construction Contract Change Order No. 1 for a total cost reduction of \$158,085.

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca, Wade
NOES: None
ABSENT: Marshall
ABSTAIN: None

17. PROFESSIONAL SERVICES CONTRACT AMENDMENT FOR ENCINITAS RANCH RECYCLED WATER EXPANSION PROJECT

General Manager Thornton gave a brief background on the Encinitas Ranch Recycled Water Expansion Project. In June 2016, a contract for design and permitting was awarded to Dudek. In March 2017, design was completed and submitted to the City for permitting. Initial draft comments were returned indicating that the proposed pipeline location would require extensive studies to determine the impact on trees in the area. The original design was completed prior to the City's implementation of an Urban Forest Management Program, which requires the development of a Tree Protection Plan where potential impact to existing trees may exist. The original pipeline alignment is located within forested areas of the Encinitas Ranch property. The General Manager stated that it was determined that realignment of the pipelines into the existing road rights-of-way

will avoid the need for extensive environmental mitigation and reduce potential risk to the SEJPA in the event of a pipeline failure. The proposed cost of \$165,870 for the project re-design and permitting is available in the Recycled Water Fund Balance.

Moved by Board Member Zito and seconded by Board Member Boerner Horvath to:

1. Approve an amendment to the Agreement for Dudek for Project Design and Permitting for an amount not to exceed \$165,870.

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca, Wade
NOES: None
ABSENT: Marshall
ABSTAIN: None

18. CLOSED SESSION

The Board of Directors adjourned to closed session at 10:10 a.m., pursuant to Government Code Section 54957: Employee Performance Evaluation. Title: General Manager.

The Board of Directors came out of closed session at 10:26 a.m., with no reportable action.

19. CONSIDERATION OF GENERAL MANAGER EMPLOYMENT COMPENSATION

Moved by Board Member Zito and seconded by Vice Chair Boerner Horvath to:

1. Approve the General Manager's merit bonus of \$10,000 for Fiscal Year 2016-17.

Motion carried with the following vote of approval:

AYES: Boerner Horvath, Zito, Mosca
NOES: None
ABSENT: Marshall
ABSTAIN: None

20. GENERAL MANAGER'S REPORT

The General Manager informed the Board of Directors that the SEJPA intends to participate and contribute \$3,000 in support of a countywide storm water study. He also stated that the SEJPA supports AB869, which promotes recycled water use as an alternative water supply.

21. GENERAL COUNSEL'S REPORT

Adriana Ochoa updated the Board of Directors on the appeal of CalPERS' determination that uniforms are reportable special compensation that do not qualify under the "health and safety" exception. CalPERS will set a hearing date on this issue.

22. BOARD MEMBER COMMENTS

None

23. ADJOURNMENT

The meeting adjourned at 10:30 a.m. The next Board of Directors meeting will be held on September 11, 2017.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****18-09****For the Months of July and August 2017**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
34506	VOID	VOID	VOID	VOID
34507	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids hauling - June	14,829.54
34508	Airgas USA, LLC	Supplies - Safety	Welding tools and respirator half mask	722.60
34509	Alliant Insurance Services, Inc.	Insurance - Property; Liability	Equipment floater and Commercial Cyber Liability	2,415.98
34510	AT&T	Utilities - Telephone	DSL - 05/20/17 - 06/19/17	106.08
34511	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	1,019.79
34512	Automation Direct	Repair Parts Expense	Circuit breakers	43.00
34513	American Water Works Association	Dues & Memberships	Membership	105.00
34514	BankCard Center	Various	Repair parts, lunch meeting, printing, and tools	4,303.41
34515	Barracuda Networks, Inc.	Utilities - Internet	Network back-up	50.00
34516	Boot World, Inc.	Uniforms - Boots	Safety boots	184.21
34517	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium Hydroxide	1,727.78
34518	Calpers	Prepaid - Other	CalPERS unfunded liability payment - FY 2017-18	131,698.00
34519	CDW Government	Licenses	Abode Acrobat Pro	119.85
34520	Chevron & Texaco Business Card	Fuel	Fuel - June	681.58
34521	City of Solana Beach	Capital Outlay	Upgrading & relocating recycled water fill station	9,797.00
34522	Coast Waste Management, Inc.	Services - Grit & Screenings	Service and roll-off	1,721.55
34523	Corodata	Rent	Record storage - June	81.06
34524	CA Sanitation Risk Mgmt Authority	Insurance - Property	Property insurance - 07/01/17 - 06/30/18	23,991.41
34525	D&H Water Systems	Maintenance; Chemicals	MF feed C/2 analyzers; acetate buffer	1,181.83
34526	Dale Kreinbring	CSRMA Wellness Program	Health and wellness	60.00
34527	Dixieline Lumber	Supplies - Shop & Field	Various shop supplies	151.40
34528	EDCO Waste & Recycling Service	Utilities - Trash	June	237.22
34529	City of Encinitas	Service - IT Support	Admin network - July	2,625.00
34530	Ferrellgas	Fuel	Propane for forklift	54.49
34531	Fisher Scientific	Repair Parts Expense	Tube	347.68
34532	Flo-Systems, Inc.	Repair Parts Expense	Cone housing and liner cone - Grit classifier parts	1,588.51
34533	Forté of San Diego	Supplies - Janitorial	Supplies	326.45
34534	Jose Garcia	CSRMA Wellness Program	Health and wellness	60.00
34535	Gierlich Mitchell, Inc.	Repair Parts Expense	Slide guide	201.21
34536	Global Capacity	Utilities - Internet	T-1 service - August	296.03
34537	Harrington Industrial Plastics	Repair Parts Expense	Valve parts	941.10
34538	Home Depot Credit Services	Supplies - Safety	Various shop and field supplies	404.92
34539	Idexx Distribution, Inc.	Supplies - Lab	Laboratory supplies	1,444.31
34540	Jennifer Basco	Subsistence - Travel	Mileage	103.33
34541	Kemira Water Solutions, Inc.	Supplies - Chemicals	Ferric Chloride	3,572.40
34542	Casey Larsen	CSRMA Wellness Program	Health and wellness	60.00
34543	The Lawton Group	Services - Intern Program	Weeks worked - 05/29/17 - 06/25/17	1,103.40
34544	Lee's Lock & Safe	Services - Maintenance	Standard fast board key	214.10
34545	McMaster-Carr Supply Co.	Repair Parts Expense	Plumbing parts	417.42
34546	Nossaman, LLP	Services - Lobbying	Professional services	5,000.00
34547	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	2,736.76
34548	Olivenhain Municipal Water District	Rent	Pipeline repayment - June	8,491.50
34549	Pacific Pipeline Supply	Repair Parts Expense	Valve brass check spring - Portable station	675.60
34550	Pacific Sweeping	Services - Maintenance	Parking lot sweeping	405.00
34551	Pall Corporation	Repair Parts Expense	Pump	5,960.26
34552	P.E.R.S.	Medical Insurance - PERS	Health - July	20,581.26
34553	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 06/17/17 - 06/30/17	12,303.33
34554	U.S. Postal Service	Postage/Shipping	Postage stamps	490.00
34555	Preferred Benefit Insurance	Dental/Vision	Vision - July	309.30
34556	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	346.11
34557	Rockwell Solutions	Repair Parts Expense	Impeller and cutter bars	5,071.05
34558	Santa Fe Irrigation District	Utilities - Water	Recycled water	338.87
34559	SD Regional Wtr Quality Control Bd	Fines	Penalty assessment	3,000.00
34560	San Dieguito Water District	Utilities - Water	Recycled water	7,485.09
34561	Sloan Electric Company	Repair Parts Expense	Drive and parameter unit	4,368.02
34562	VOID	VOID	VOID	VOID
34563	State Water Resources Control Board	SRF Loan & Interest	SRF loan payment	834,675.18

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****18-09****For the Months of July and August 2017**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
34564	SWRCB - ELAP Fees	Licenses	Laboratory certification	4,443.00
34565	T.S. Industrial Supply	Repair Parts Expense	Plumbing parts	1,551.12
34566	Technology Integration Group	Services - Maintenance	Copier	104.74
34567	Unifirst Corporation	Services - Uniforms	Uniform service	403.42
34568	UPS	Postage/Shipping	Letter	35.06
34569	Underground Service Alert/SC	Services - Alarm	Dig alert - June	151.50
34570	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,983.28
34571	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,139.97
34572	VWR International, Inc.	Supplies - Lab	Laboratory supplies	719.00
34573	Board of Equalization	Accrued Sales Tax Payable	2nd Quarter sales tax	202.00
34574	Aflac	EE Deduction Benefits	Aflac - July	680.92
34575	AT&T	Utilities - Telephone	Alarm service - July	398.48
34576	AT&T	Utilities - Telephone	Phone service - 06/13/17 - 07/12/17	373.06
34577	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping	634.88
34578	Boot World, Inc.	Uniforms - Boots	Safety boots	359.56
34579	Calpers	Retirement Plan - PERS	Calpers	85.00
34580	Complete Office	Supplies - Office	Office supplies	201.49
34581	CA Sanitation Risk Mgmt Authority	Workers Comp. Insurance	WC pooled deposit - 07/01/17 - 06/30/18	23,604.00
34582	DMV	Services - Other	Safety records - 06/01/17 - 06/30/17	2.00
34583	Dudek & Associates	Services - Engineering	Final design - Headworks	11,508.75
34584	Encina Wastewater Authority	Service - EWA Support	Resource sharing - HR and safety	1,112.33
34585	J.R. Filanc Construction Co.	Services - Contractors	Land outfall replacement project	121,398.60
34586	Kennedy/Jenks Consultants	Services - Engineering	Land Ocean Outfall - Final Design	906.83
34587	The Lawton Group	Services - Intern Program	Weeks worked - 06/26/17 - 07/07/17	2,048.85
34588	LiftOff, LLC	Licenses	Microsoft Exchange; Office 365	1,560.00
34589	McMaster-Carr Supply Co.	Supplies - Shop & Field	Sleeving, bolts, filters, fuse, ladder, wire rope	1,089.30
34590	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	2,672.54
34591	Pacific Green Landscape	Services - Landscape	July	2,625.00
34592	Pacific Pipeline Supply	Repair Parts Expense	Flange kit and protective coating	416.31
34593	Peerless Materials Co., LLC	Supplies - Shop & Field	Shop towels	270.88
34594	Public Employees - Retirement	Retirement Plan - PERS	Retirement - 07/01/17 - 07/14/17	12,442.50
34595	Michael Piper	Supplies - Safety	Snake Guard Protection	67.94
34596	Procopio Cory Hargreaves	Services - Legal	General; Labor and employment	5,280.25
34597	Roesling Nakamura Terada Architects	Services - Professional	Building design	14,587.00
34598	Rusty Wallis, Inc.	Services - Maintenance	Water softener, carbon exchange, and salt bags	156.72
34599	Santa Fe Irrigation District	Utilities - Water	Recycled water	81.05
34600	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - June	1,854.00
34601	Smart & Final	Supplies - Office	Kitchen supplies	100.48
34602	Sun Life Financial	Life Insurance/Disability	Life and disability insurance	1,584.26
34603	Michael Thornton	Subsistence - Meals	Meetings and office supplies	120.06
34604	Technology Integration Group	Services - Maintenance	Copier	121.93
34605	Unifirst Corporation	Services - Uniforms	Uniform service	321.45
34606	UPS	Postage/Shipping	Postage	35.56
34607	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,968.76
34608	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,164.85
34609	Verizon Wireless	Utilities - Telephone	06/11/17 - 07/10/17	252.93
34610	Verizon Wireless	Utilities - Telephone	Cell phone service - 06/08/17 - 07/07/17	750.63
34611	WageWorks	Payroll Processing Fees	Admin and compliance fees	123.50
34612	AT&T	Utilities - Telephone	DSL - 06/20/17 - 07/19/17	105.62
34613	Atlas Pumping Service Inc.	Services - Grease & Scum	Grease and scum pumping and special service	1,944.88
34614	Banner Day, Inc.	Service - Fire Control	Fire break - brush clearing	5,550.00
34615	Barracuda Networks, Inc.	Utilities - Internet	Network back-up	50.00
34616	Brenntag Pacific, Inc.	Supplies - Chemicals	Sodium Hydroxide and Citric Acid	3,415.76
34617	Carollo Engineers	Services - Engineering	Capital projects	2,265.30
34618	Carrie Cook	Subsistence - Travel	Calpers training	21.40
34619	County of San Diego	Fees - Permits	Facility permit fees	469.00
34620	D&H Water Systems	Repair Parts Expense	Peristaltic metering pump	2,518.25
34621	Dudek & Associates	Services - Professional	Capital project funding & environmental clearance	683.75

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****18-09****For the Months of July and August 2017**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
34622	EDCO Waste & Recycling Service	Utilities - Trash	July	241.71
34623	eMaint Enterprises, LLC	Licenses	Asset management	1,188.00
34624	Encina Wastewater Authority	Services - Legal	Legal	661.50
34625	City of Encinitas	Service - IT Support	Admin Network - August	2,625.00
34626	Encinitas Bee Compnay	Services - Other	Wasp and bee removal	700.00
34627	Evantec Lab Supply	Supplies - Lab	Laboratory supplies	985.23
34628	Jose Garcia	Dues & Memberships	Mech Grade 2 membership fee	175.00
34629	Global Capacity	Utilities - Internet	T-1 service - September	296.03
34630	Global Test Supply	Minor Equip - Shop & Field	Aspirator bulb and gas analyzer Co2	519.32
34631	Home Depot Credit Services	Supplies - Shop & Field	Tools and supplies	490.52
34632	Kemira Water Solutions, Inc.	Supplies - Chem - Ferrous Chlo	Ferric Chloride	4,219.06
34633	Kennedy/Jenks Consultants	Services - Engineering	Land ocean outfall - Final design	1,974.70
34634	The Lawton Group	Services - Temp	Weeks worked - 07/10/17 - 07/23/17	2,410.32
34635	Lomas Santa Fe Country Club	Other Personnel Cost	Deposit for luncheon	150.00
34636	Marine Taxonomic Services, Ltd.	Services - Contractors	Offshore water sampling	434.00
34637	McMaster-Carr Supply Co.	Supplies - Shop & Field	V-belt, electrical and plumbing supplies, hard hats	1,573.70
34638	MetLife - Group Benefits	Dental/Vision	Dental - August	2,000.19
34639	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	5,580.22
34640	P.E.R.S.	Medical Insurance - PERS	Health - August	20,585.79
34641	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 07/15/17 - 07/28/17	12,473.48
34642	Polydyne Inc.	Supplies - Chemicals	Clarifloc	2,849.99
34643	Preferred Benefit Insurance	Dental/Vision	Vision - August	309.30
34644	ReadyRefresh	Supplies - Lab	Kitchen and lab supplies	249.44
34645	Red Truck Fire & Safety Co.	Training - Safety	Fire extinguisher	298.95
34646	Rising Tide Partners	Services - Professional	Press, website, and outreach	5,187.50
34647	Rohan & Sons, Inc.	Services - Maintenance	HVAC service call	165.00
34648	Santa Fe Irrigation District	Utilities - Water	Recycled water	1,310.50
34649	Sapphire Electric Inc.	Services - Maintenance	Electrical services	4,690.00
34650	SCAP	Dues & Memberships	Annual membership	2,210.00
34651	San Diego Gas & Electric	Utilities - Gas & Electric	Gas and electric - 06/06/17 - 07/06/17	66,932.90
34652	San Dieguito Water District	Utilities - Water	Recycled water	7,458.45
34653	SEW-Eurodrive	Services - Maintenance	Evaluation	100.00
34654	Spiess Construction Co., Inc.	Retention	Turbo blower project	25,390.15
34655	Test America	Services - Laboratory	Testing water samples	1,424.50
34656	TNEMEC Company Inc.	Supplies - Shop & Field	Paint	760.45
34657	Trussell Technologies, Inc.	Services - Engineering	Process engineering	11,596.00
34658	Unifirst Corporation	Services - Uniforms	Uniform service	368.75
34659	UPS	Postage/Shipping	Letters	68.16
34660	Underground Service Alert/SC	Services - Alarm	Dig alerts - July	142.00
34661	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457 and loans	6,987.81
34662	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,176.39
34663	Varec Biogas	Services - Maintenance	Biogas flare #2	4,360.28
34664	Water Environment Federation	Dues & Memberships	Membership	312.00
34665	A.B. Hashmi, Inc.	Retention	Air vacuum relocation	3,770.99
34666	Affordable Drain Services, Inc.	Services - Maintenance	Wet well service	2,280.00
34667	Ag Tech, LLC	Services - Biosolids Hauling	Biosolids Hauling - July	14,435.05
34668	AT&T	Utilities - Telephone	Alarm service - August	398.48
34669	Atlas Pumping Service Inc.	Services - Grit & Screenings	Special and roll-off service	1,346.44
34670	BankCard Center	Various	Office supplies, safety, parts, and meetings	1,299.28
34671	BlackBurn MFG Co.	Supplies - Shop & Field	Purple paint	306.57
34672	Boot World, Inc.	Uniforms - Boots	Safety boots	185.00
34673	Boyd Fasteners	Repair Parts Expense	Wedge anchors	323.25
34674	Carus Corporation	Supplies - Chemicals	Potassium Permanganate Tablets	965.78
34675	Chevron & Texaco Business Card	Fuel	Fuel - July and August	876.10
34676	Coast Waste Management, Inc.	Services - Grit & Screenings	Roll-off service	2,678.73
34677	Cole-Parmer Instrument Co.	Minor Equip - Shop & Field	Laboratory equipment	214.57
34678	Complete Office	Supplies - Office	Office supplies	77.27
34679	Corodata	Rent	Record storage - July	108.34

SAN ELIJO JOINT POWERS AUTHORITY**PAYMENT OF WARRANTS****18-09****For the Months of July and August 2017**

Warrant #	Vendor Name	G/L Account	Warrant Description	Amount
34680	County of San Diego	Fees - Permits	Headworks upgrades	3,429.00
34681	CA Sanitation Risk Mgmt Auth.	Insurance - Claims Against	Deductible recovery	5,862.07
34682	CA Sanitation Risk Mgmt Auth.	Workers Comp. Insurance	Worker's compensation program - Final audit	2,937.00
34683	Dudek & Associates	Services - Engineering	Requeza pipeline, headworks design, SWAP	36,715.34
34684	Encina Wastewater Authority	Service - EWA Support	Resource sharing - HR and safety	1,037.53
34685	Forte of San Diego	Supplies - Janitorial	Janitorial supplies	370.59
34686	Government Finance Officers Assoc.	Dues & Memberships	Membership	160.00
34687	The Lawton Group	Services - Intern Program	Weeks worked - 07/14/2017 - 07/30/2017	1,216.69
34688	Lee's Lock & Safe	Services - Maintenance	Master padlock	202.03
34689	McMaster-Carr Supply Co.	Minor Equip - Shop & Field	Wire splicing connectors, fuse puller, light bulb	73.58
34690	Midas Shop	Vehicle Maintenance	Oil change, AC compressor, air condensor	1,743.44
34691	The Nyhart Company	Services - Accounting	Pension & OPEB actuarial valuation for FY 2016-17	4,950.00
34692	Olin Corp - Chlor Alkali	Supplies - Chemicals	Sodium Hypochlorite	2,850.64
34693	Olivenhain Municipal Water District	Services - Maintenance	Wiegand reservoir	5,214.22
34694	Olivenhain Municipal Water District	Rent	Pipeline repayment - July	9,589.50
34695	Public Employees- Retirement	Retirement Plan - PERS	Retirement - 07/29/17 - 08/11/17	12,509.16
34696	Polydyne Inc.	Supplies - Chemicals	Clarifloc	8,549.97
34697	ProBuild Company, LLC	Supplies - Shop & Field	Shop and field supplies, tools	297.95
34698	Procopio Cory Hargreaves	Services - Legal	General; Labor and employment	5,070.00
34699	Red Truck Fire & Safety Co.	Supplies - Safety	Annual maintenance service and new extinguisher:	2,429.51
34700	Rohan & Sons, Inc.	Capital Outlay	Air conditioning equipment	6,686.00
34701	Rusty Wallis, Inc.	Services - Maintenance	Water softener service	124.39
34702	Santa Fe Irrigation District	SFID Distribution Pipeline	Pipeline purchase payment - July	1,777.50
34703	San Dieguito Water District	Utilities - Water	Recycled water	1,605.45
34704	Smart & Final	Supplies - Office	Kitchen and office supplies	162.33
34705	Sun Life Financial	Life Insurance/Disability	Life and disability insurance - September	1,596.47
34706	Test America	Services - Laboratory	Testing water samples	670.00
34707	Toyotalift, Inc.	Vehicle Maintenance	Forklift service	181.96
34708	Christopher A. Trees	Subsistence - Meals	Admin meeting	58.22
34709	Unifirst Corporation	Services - Uniforms	Uniform service	395.16
34710	UPS	Postage/Shipping	Postage	34.09
34711	Vantagepoint Transfer Agents	EE Deduction Benefits	ICMA - 457	6,996.21
34712	Vantagepoint Transfer Agents	ICMA Retirement	ICMA - 401a	3,184.84
34713	Verizon Wireless	Utilities - Telephone	Cell phone service - 07/08/17 - 08/07/17	750.44
34714	WageWorks	Payroll Processing Fees	Admin and compliance fees - July and August	247.00
34715	NEWest Construction	Services - Construction	Hi-Temp Water Line Repair	34,900.00
	San Elijo Payroll Account	Payroll	Payroll - 07/07/2017	70,361.03
	San Elijo Payroll Account	Payroll	Payroll - 07/21/2017	85,109.17
	San Elijo Payroll Account	Payroll	Payroll - 08/04/2017	65,384.15
	San Elijo Payroll Account	Payroll	Payroll - 08/18/2017	78,045.53
				<u>\$2,074,321.97</u>

SAN ELIJO JOINT POWERS AUTHORITY

PAYMENT OF WARRANTS SUMMARY

**For the Months of July and August 2017
As of August 30, 2017**

PAYMENT OF WARRANTS		\$ 2,074,321.97
Reference Number	18-09	

I hereby certify that the demands listed and covered by warrants are correct and just to the best of my knowledge, and that the money is available in the proper funds to pay these demands. The cash flows of the SEJPA, including the Member Agency commitment in their operating budgets to support the operations of the SEJPA, are expected to be adequate to meet the SEJPA's obligations over the next six months. I also certify that the SEJPA's investment portfolio complies with the SEJPA's investment policy.



Paul F. Kinkel
Director of Finance & Administration

STATEMENT OF FUNDS AVAILABLE FOR PAYMENT OF WARRANTS
AND INVESTMENT INFORMATION
As of August 30, 2017

FUNDS ON DEPOSIT WITH	AMOUNT
LOCAL AGENCY INVESTMENT FUND	
<i>(JULY 2017 YIELD 1.051%)</i>	
RESTRICTED SRF RESERVE	\$ 630,000.00
UNRESTRICTED DEPOSITS	\$ 9,948,697.12
CALIFORNIA BANK AND TRUST	
<i>(JULY 2017 YIELD 0.01%)</i>	
REGULAR CHECKING	\$ 245,407.61
PAYROLL CHECKING	\$ 5,000.00
UNION BANK - TRUSTEE (BOND FUNDS)	
BLACKROCK <i>(JULY 2017 YIELD 0.86%)</i>	\$ 1,596,431.11
LAIF <i>(JULY 2017 YIELD 1.051%)</i>	\$ 22,115,000.00
TOTAL RESOURCES	\$ 34,540,535.84

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

September 11, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION FACILITY TREATED EFFLUENT FLOWS
– MONTHLY REPORT

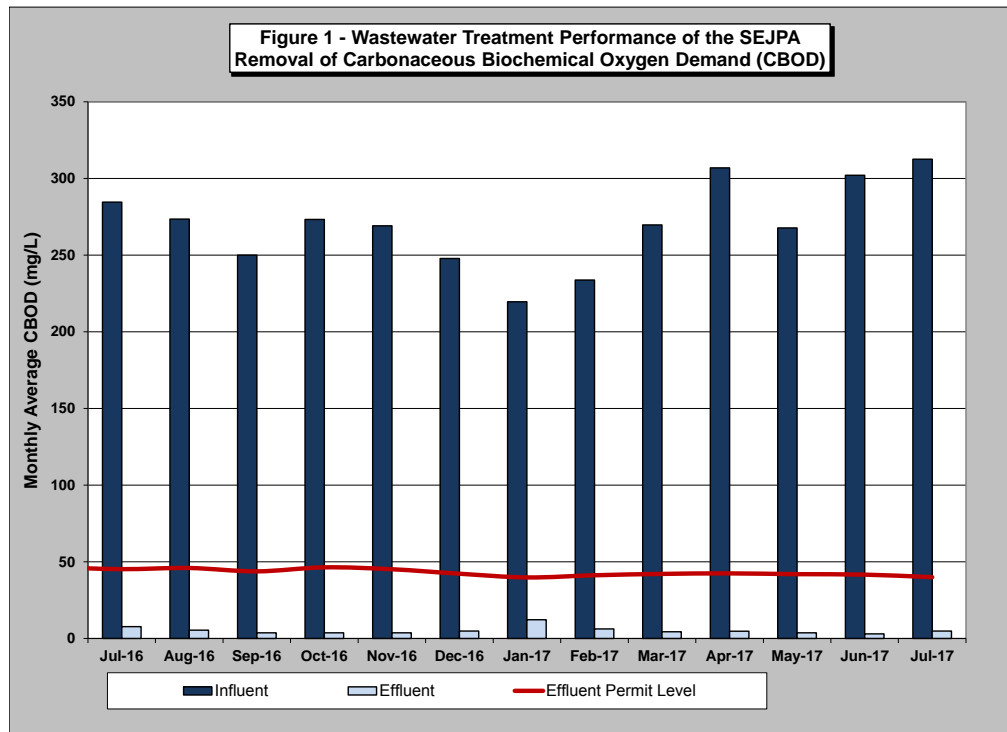
RECOMMENDATION

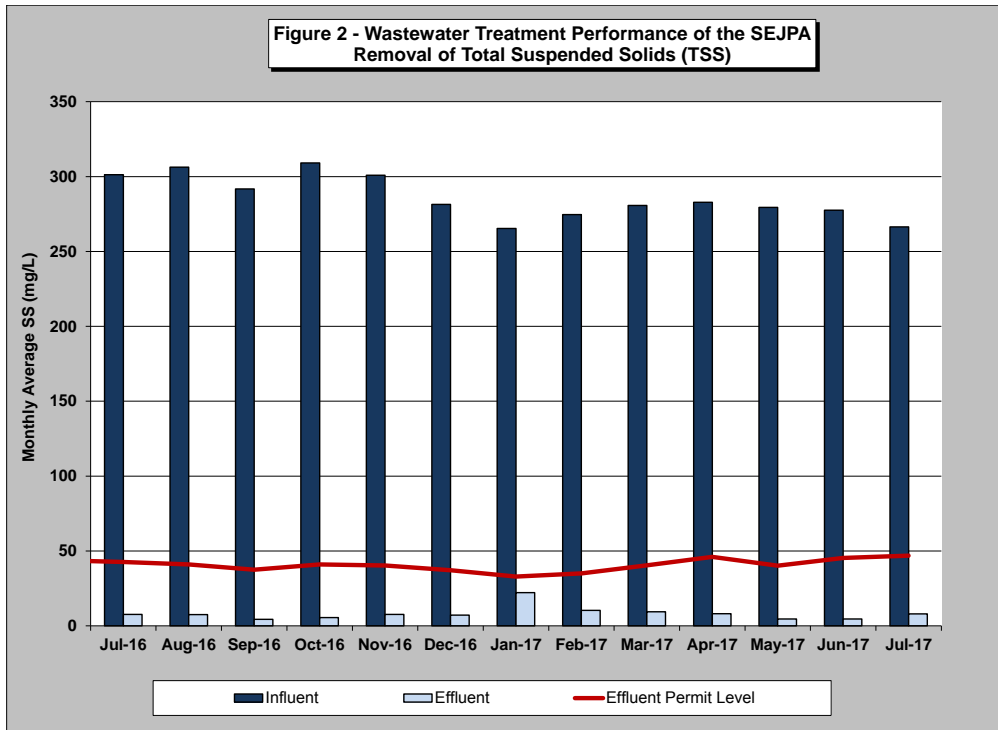
No action required. This memorandum is submitted for information only.

DISCUSSION

Monthly Treatment Plant Performance and Evaluation

Wastewater treatment for the San Elijo Joint Powers Authority (SEJPA) met all National Pollutant Discharge Elimination System (NPDES) ocean effluent limitation requirements for the months of June and July 2017. The primary indicators of treatment performance include the removal of Carbonaceous Biochemical Oxygen Demand (CBOD) and Total Suspended Solids (TSS). The SEJPA is required to remove a minimum of 85 percent of the CBOD and TSS from the wastewater. Treatment levels for CBOD and TSS were 99.0 and 98.3 percent removal, respectively, in June and 98.5 and 97 percent removal, respectively, in July (as shown in Figure 1 and Figure 2).





Member Agency Flows

Presented below are the influent and effluent flows for the months of June and July. Average daily influent flows were recorded for each Member Agency. Total effluent flow was calculated for the San Elijo Water Reclamation Facility. January 2017 was the first month that the City of Del Mar pumped flow to SEJPA. However, due to the treatment process upset and high influent flows associated with the January rain events, the flow was diverted back to San Diego JPA Metro. Currently, the City of Del Mar is in the process of eliminating high salinity infiltration that is occurring at a few manholes near the beach. High salinity wastewater can negatively impact the biological treatment and water recycling process. Upon the completion of these repairs, the SEJPA will begin receiving wastewater flows from Del Mar.

	June	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.241	0.980
City of Solana Beach	1.032	0.815
Rancho Santa Fe SID	0.134	0.106
City of Del Mar	0.000	0.000
Total San Elijo WRF Flow	2.407	1.901

	July	
	<u>Influent (mgd)</u>	<u>Effluent (mgd)*</u>
Cardiff Sanitary Division	1.267	0.802
City of Solana Beach	1.083	0.685
Rancho Santa Fe SID	0.130	0.082
City of Del Mar	0.000	0.000
Total San Elijo WRF Flow	2.480	1.569

* Effluent is calculated by subtracting the recycled water production from the influent wastewater.

Table 1 (below) presents the historical average, maximum, and unit influent and effluent flow rates per month for each of the Member Agencies during the past 5 years. It also presents the number of connected Equivalent Dwelling Units (EDUs) for each of the Member Agencies during this same time period.

TABLE 1 - SAN ELIJO WATER RECLAMATION FACILITY MONTHLY REPORT - FLOWS AND EDUS

MONTH	AVERAGE DAILY INFLUENT FLOW RATE (MGD)					AVERAGE DAILY EFFLUENT FLOW RATE (MGD)					CONNECTED EDUs					AVERAGE UNIT INFLUENT FLOW RATE (GAL/EDU/DAY)							
	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD	RSF	CSD	SB	DM	TOTAL PLANT	CSD	RSF	CSD	SB	DM	TOTAL	CSD	RSF	SB	DM	TOTAL PLANT
Aug-12	1.383	0.128	1.291			2.802	0.473	0.044	0.441			0.958	8,290	490	7,728			16,508	167	261	167		170
Sep-12	1.349	0.142	1.220			2.711	0.544	0.058	0.492			1.094	8,291	490	7,728			16,509	163	290	158		164
Oct-12	1.327	0.123	1.203			2.653	0.678	0.063	0.615			1.356	8,294	490	7,728			16,512	160	251	156		161
Nov-12	1.343	0.128	1.181			2.652	0.862	0.082	0.758			1.702	8,299	490	7,728			16,517	162	261	153		161
Dec-12	1.383	0.141	1.197			2.721	1.261	0.129	1.091			2.481	8,300	490	7,728			16,518	167	288	155		165
Jan-13	1.357	0.145	1.215			2.717	1.155	0.124	1.034			2.313	8,300	490	7,728			16,518	163	296	157		164
Feb-13	1.349	0.138	1.201			2.688	1.048	0.108	0.933			2.089	8,301	490	7,728			16,519	163	282	155		163
Mar-13	1.402	0.154	1.235			2.791	0.905	0.100	0.797			1.802	8,302	493	7,728			16,521	169	314	160		169
Apr-13	1.297	0.124	1.237			2.658	0.531	0.051	0.506			1.088	8,304	493	7,728			16,523	156	253	160		161
May-13	1.339	0.126	1.185			2.650	0.376	0.036	0.333			0.745	8,304	493	7,728			16,525	161	256	153		160
Jun-13	1.341	0.126	1.190			2.657	0.269	0.025	0.239			0.533	8,307	493	7,728			16,528	161	256	154		161
Jul-13	1.366	0.144	1.269			2.779	0.482	0.050	0.448			0.980	8,309	493	7,728			16,530	164	292	164		168
Aug-13	1.342	0.168	1.258			2.768	0.380	0.048	0.356			0.784	8,311	494	7,728			16,533	161	340	163		167
Sep-13	1.343	0.117	1.193			2.653	0.403	0.036	0.358			0.797	8,311	494	7,728			16,533	162	237	154		160
Oct-13	1.319	0.132	1.184			2.635	0.629	0.063	0.565			1.257	8,314	494	7,728			16,536	159	267	153		159
Nov-13	1.348	0.133	1.194			2.675	0.932	0.092	0.826			1.850	8,315	494	7,728			16,537	162	270	155		162
Dec-13	1.341	0.134	1.191			2.666	1.030	0.103	0.915			2.048	8,316	494	7,728			16,538	161	272	154		161
Jan-14	1.322	0.135	1.194			2.651	0.851	0.087	0.768			1.706	8,318	495	7,728			16,541	159	273	155		160
Feb-14	1.314	0.127	1.172			2.613	0.954	0.093	0.851			1.898	8,323	495	7,728			16,546	158	257	152		158
Mar-14	1.339	0.134	1.185			2.658	0.858	0.086	0.760			1.704	8,324	496	7,728			16,548	161	270	153		161
Apr-14	1.326	0.128	1.128			2.582	0.449	0.043	0.382			0.874	8,328	498	7,728			16,554	159	257	146		156
May-14	1.353	0.124	1.127			2.604	0.159	0.015	0.132			0.306	8,333	498	7,728			16,559	162	249	146		157
Jun-14	1.341	0.126	1.188			2.655	0.207	0.020	0.183			0.410	8,333	498	7,728			16,559	161	253	154		160
Jul-14	1.271	0.130	1.307			2.708	0.232	0.024	0.239			0.495	8,338	499	7,728			16,565	152	261	169		163
Aug-14	1.228	0.130	1.298			2.656	0.227	0.024	0.239			0.490	8,345	500	7,728			16,573	147	260	168		160
Sep-14	1.215	0.113	1.232			2.560	0.211	0.019	0.214			0.444	8,351	500	7,728			16,579	145	226	159		154
Oct-14	1.204	0.114	1.198			2.516	0.394	0.038	0.392			0.824	8,353	500	7,728			16,581	144	228	155		152
Nov-14	1.237	0.118	1.198			2.553	0.667	0.063	0.646			1.376	8,354	502	7,728			16,584	148	235	155		154
Dec-14	1.323	0.147	1.229			2.699	1.163	0.129	1.081			2.373	8,355	502	7,728			16,585	158	293	159		163
Jan-15	1.253	0.130	1.232			2.615	0.984	0.102	0.967			2.053	8,359	503	7,977			16,838	150	259	154		155
Feb-15	1.229	0.132	1.228			2.589	0.757	0.081	0.757			1.595	8,361	504	7,977			16,841	147	262	154		154
Mar-15	1.269	0.135	1.231			2.635	0.583	0.062	0.566			1.211	8,365	504	7,977			16,846	152	268	154		156
Apr-15	1.183	0.124	1.196			2.503	0.350	0.036	0.354			0.740	8,366	504	7,977			16,847	141	246	150		149
May-15	1.209	0.117	1.149			2.475	0.545	0.053	0.518			1.116	8,367	505	7,977			16,848	144	232	144		147
Jun-15	1.287	0.113	1.052			2.452	0.362	0.032	0.296			0.690	8,369	506	7,977			16,852	154	224	132		146
Jul-15	1.282	0.110	1.176			2.568	0.392	0.034	0.359			0.785	8,370	510	8,003			16,883	153	216	147		152
Aug-15	1.264	0.095	1.087			2.446	0.315	0.023	0.271			0.609	8,371	510	8,003			16,884	151	186	136		145
Sep-15	1.256	0.105	1.001			2.362	0.457	0.038	0.364			0.859	8,372	511	8,003			16,885	150	206	125		140
Oct-15	1.243	0.106	1.002			2.351	0.681	0.058	0.549			1.288	8,373	511	8,003			16,886	148	208	125		139
Nov-15	1.250	0.100	0.994			2.344	0.792	0.063	0.630			1.485	8,376	511	8,003			16,889	149	196	124		139
Dec-15	1.266	0.107	1.016			2.389	0.971	0.082	0.780			1.833	8,377	511	8,003			16,891	151	210	127		141
Jan-16	1.342	0.131	1.037			2.510	1.189	0.116	0.918			2.223	8,380	511	8,003			16,894	160	257	130		149
Feb-16	1.245	0.112	1.008			2.365	0.780	0.070	0.631			1.481	8,383	512	8,003			16,897	149	219	126		140
Mar-16	1.267	0.116	1.023			2.406	0.763	0.070	0.616			1.449	8,388	512	8,003			16,903	151	227	128		142
Apr-16	1.240	0.102	0.990			2.332	0.675	0.055	0.539			1.269	8,389	512	8,003			16,904	148	199	124		138
May-16	1.238	0.117	1.002			2.357	0.505	0.048	0.409			0.962	8,389	512	8,003			16,904	148	229	125		139
Jun-16	1.205	0.111	1.055			2.371	0.362	0.033	0.317			0.712	8,390	514	8,003			16,907	144	216	132		140
Jul-16	1.336	0.105	1.008			2.449	0.586	0.046	0.442			1.074	8,392	514	8,020			16,926	159	204	126		145
Aug-16	1.317	0.107	1.007			2.431	0.647	0.053	0.495			1.195	8,393	516	8,020			16,929	157	207	126		144
Sep-16	1.311	0.110	0.975			2.396	0.601	0.050	0.447			1.098	8,394	516	8,020			16,930	156	213	122		142
Oct-16	1.289	0.108	0.962			2.359	0.521	0.043	0.389			0.953	8,397	517	8,020			16,933	154	209	120		139
Nov-16	1.323	0.113	0.932			2.368	0.730	0.062	0.514			1.306	8,403	517	8,020			16,940	157	219	116		140
Dec-16	1.419	0.150	0.998			2.567	1.179	0.125	0.829			2.133	8,406	549	8,020			16,975	169	273	124		151
Jan-17	1.572	0.197	1.125	0.047		2.941	1.489	0.186	1.066	0.045		2.786	8,409	549	8,020	1,716		18,694	187	359	140	27	157
Feb-17	1.361	0.211	1.240	0.000		2.812	1.236	0.192	1.126	0.000		2.554	8,409	549	8,020	1,716		18,694	162	384	155	0	150
Mar-17	1.215	0.170	1.261	0.000		2.646	0.856	0.120	0.889	0.000		1.865	8,413	550	8,020	1,716		18,698	144	309	157	0	142
Apr-17	1.077	0.139	1.190	0.000		2.406	0.841	0.108	0.929	0.000		1.878	8,414	551	8,020	1,716		18,700	128	252	148	0	129
May-17	1.082	0.136	1.184	0.000		2.402	0.842	0.106	0.922	0.000		1.870	8,416	551	8,049	1,716		18,732	129	247	147	0	128
Jun-17	1.241	0.134	1.032	0.000		2.407	0.980	0.106	0.815	0.000		1.901	8,420	551	8,049	1,716		18,737	147	243	128	0	128
Jul-17	1.267	0.130	1.083	0.000		2.480	0.802	0.082	0.685	0.000		1.569	8,421	551	8,061	1,716		18,749	150	236	134	0	132

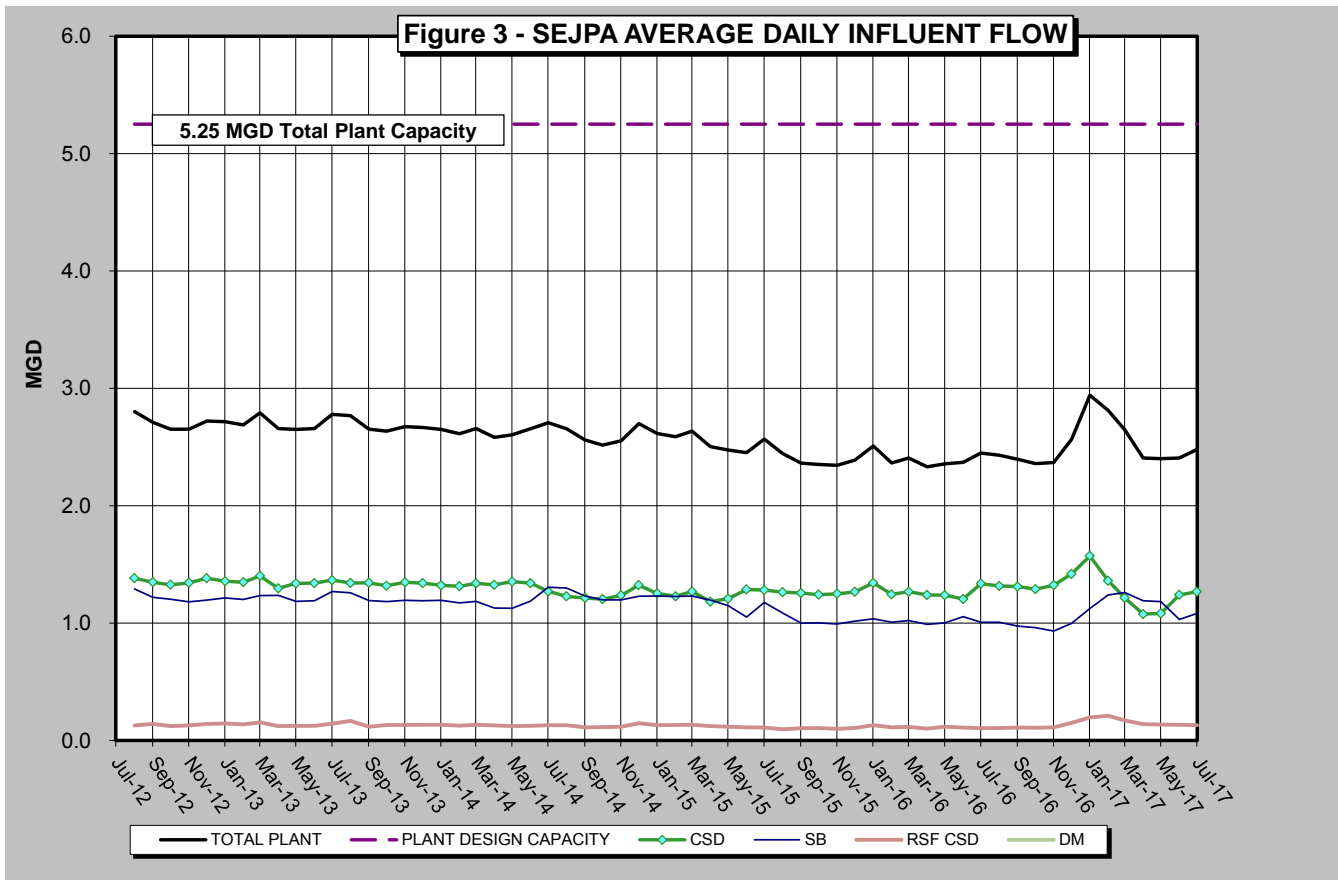
CSD: Cardiff Sanitary Division

RSF CSD: Ranch Santa Fe Community Service District

SB: Solana Beach

EDU:

Figure 3 (below) presents the 5-year historical average daily flows per month for each Member Agency. This is to provide a historical overview of the average treated flow by each agency. Also shown in Figure 3 is the total wastewater treatment capacity of the plant, 5.25 mgd, of which each Member Agency has the right to 2.2 mgd, Rancho Santa Fe Community Service District leases 0.25 mgd, and the City of Del Mar leases 0.60 mgd.



City of Escondido Flows

The average and peak flow rate for the months of June and July 2017 from the City of Escondido's Hale Avenue Resource Recovery Facility, which discharges through the San Elijo Ocean Outfall, is reported below.

	June (mgd)
Escondido (Average flow rate)	7.65
Escondido (Peak flow rate)	15.8

	July (mgd)
Escondido (Average flow rate)	8.49
Escondido (Peak flow rate)	17.60

Connected Equivalent Dwelling Units

The City of Solana Beach updated the connected EDUs number that is reported to the SEJPA in July 2017. The City of Encinitas and Rancho Santa Fe CSD report their connected EDUs every month. The City of Del Mar reported their connected EDUs in March 2017; however, flows have been diverted to the San Diego Metro JPA due to high salinity which is planned to be resolved by September 2017. The number of EDUs connected for each of the Member Agencies is as follows:

	Connected (EDU)
Cardiff Sanitary Division	8,421
Rancho Santa Fe SID	551
City of Solana Beach	7,724
San Diego (to Solana Beach)	337
City of Del Mar	1,716
Total EDUs to System	18,749

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

September 11, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: SAN ELIJO WATER RECLAMATION PROGRAM – MONTHLY REPORT

RECOMMENDATION

No action required. This memorandum is submitted for information only.

DISCUSSION

Recycled Water Production

For the month of June 2017, recycled water demand was 166.58 acre-feet (AF), which was met using 166.58 AF of recycled water and 0.00 AF of supplementation with potable water. For Fiscal Year 2016-17, which spans from July 2016 to June 2017, total recycled water produced and delivered for beneficial use was 1,437 AF. This represents the third highest volume on record for the program, which is impressive as the year had higher than average rainfall.

For the month of July 2017, recycled water demand was 208.15 acre-feet (AF), which was met using 208.15 AF of recycled water and 0.00 AF of supplementation with potable water. Recycled water production and delivery for July represents the highest volume on record for the month of July for the program.

Figure 1 (attached) provides monthly demands for recycled water since deliveries began in September 2000. Figure 2 (attached) provides a graphical view of annual recycled water demand spanning the last seventeen (17) fiscal years. Figure 3 (attached) shows the monthly recycled water demand for each June since the program began. Figure 4 (attached) shows the monthly recycled water demand for each July since the program began.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Figure 1 - MONTHLY RECYCLED WATER DEMAND

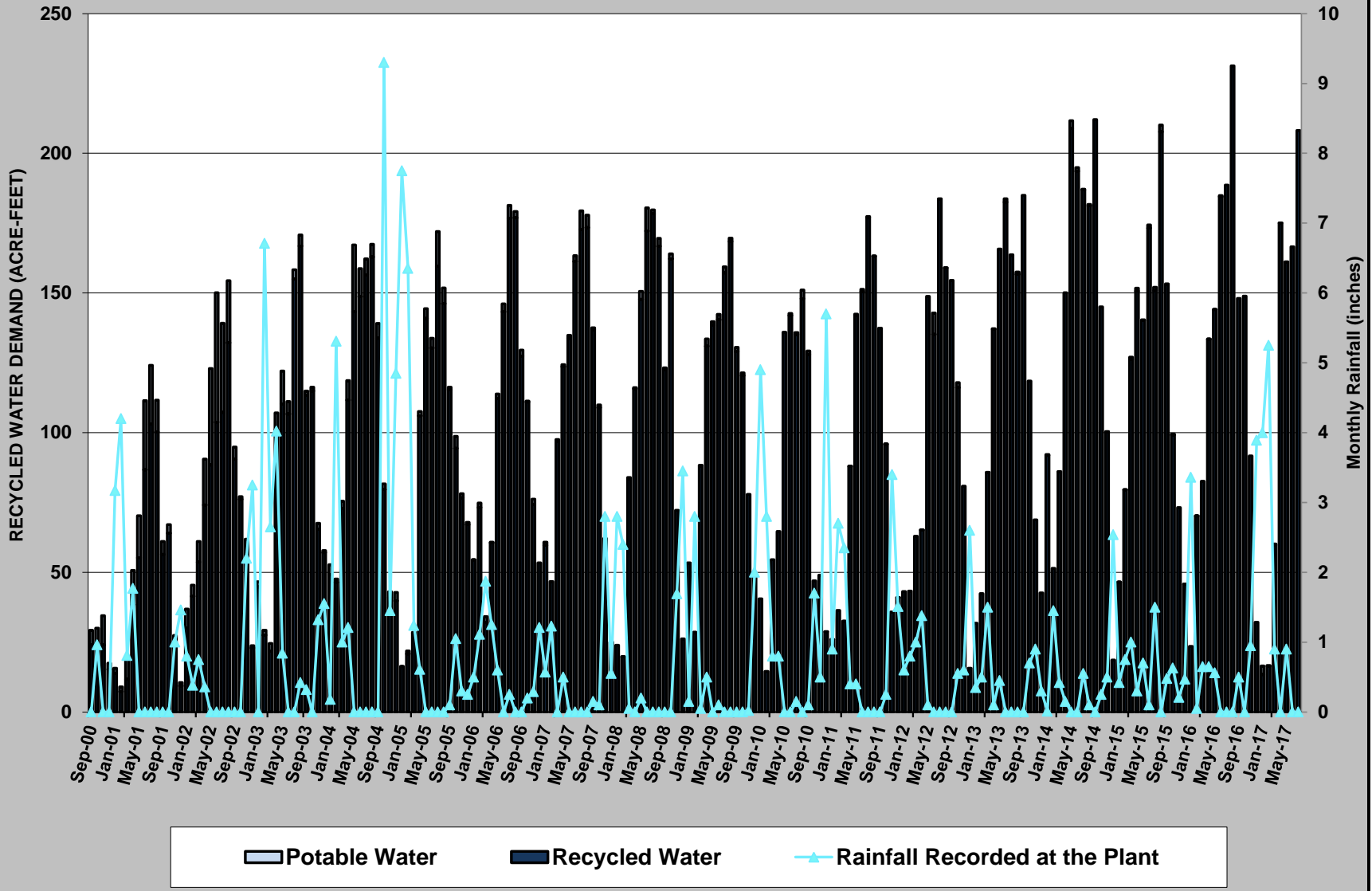


Figure 2 - RECYCLED WATER DEMAND by FISCAL YEAR

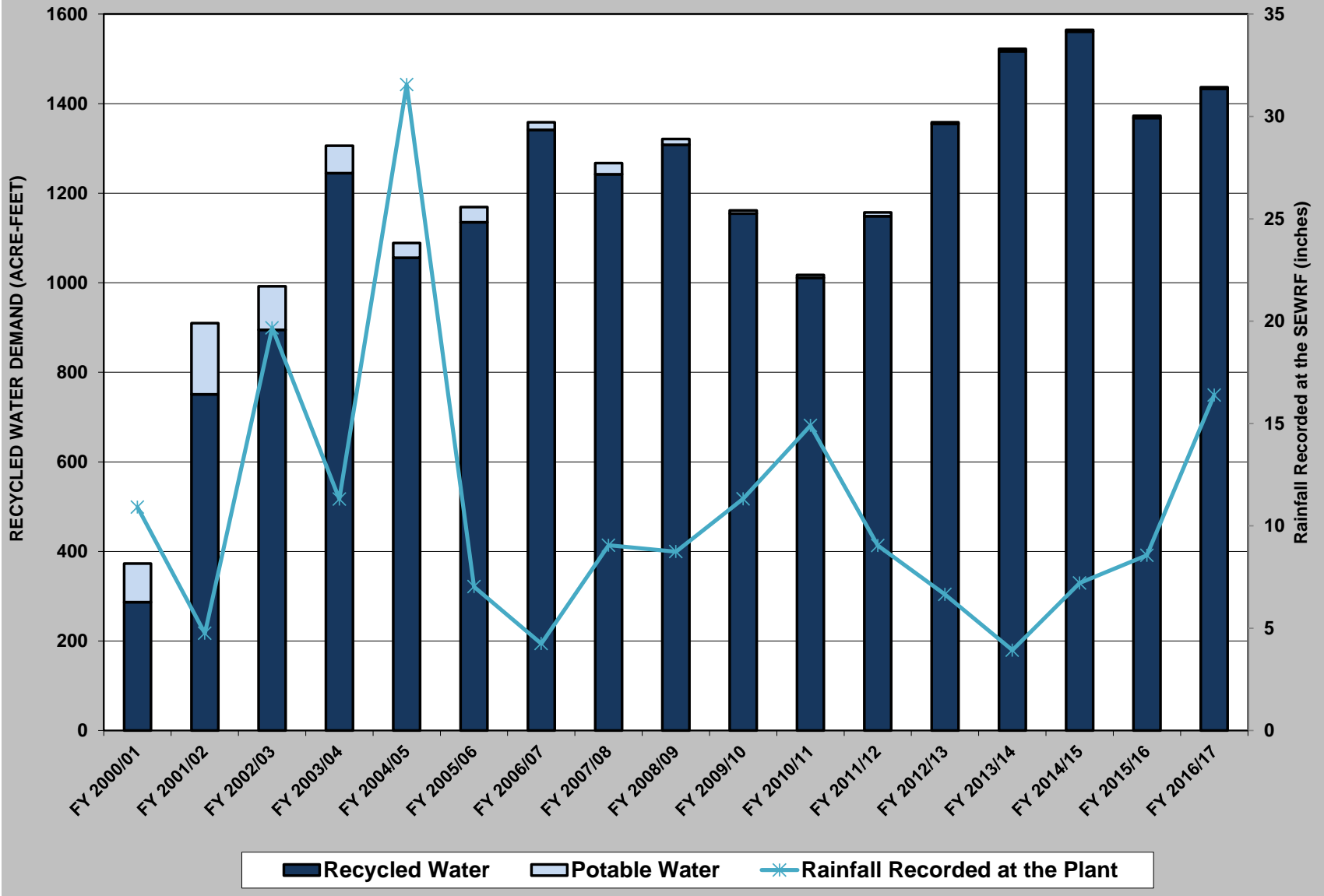


Figure 3 - JUNE RECYCLED WATER DEMAND

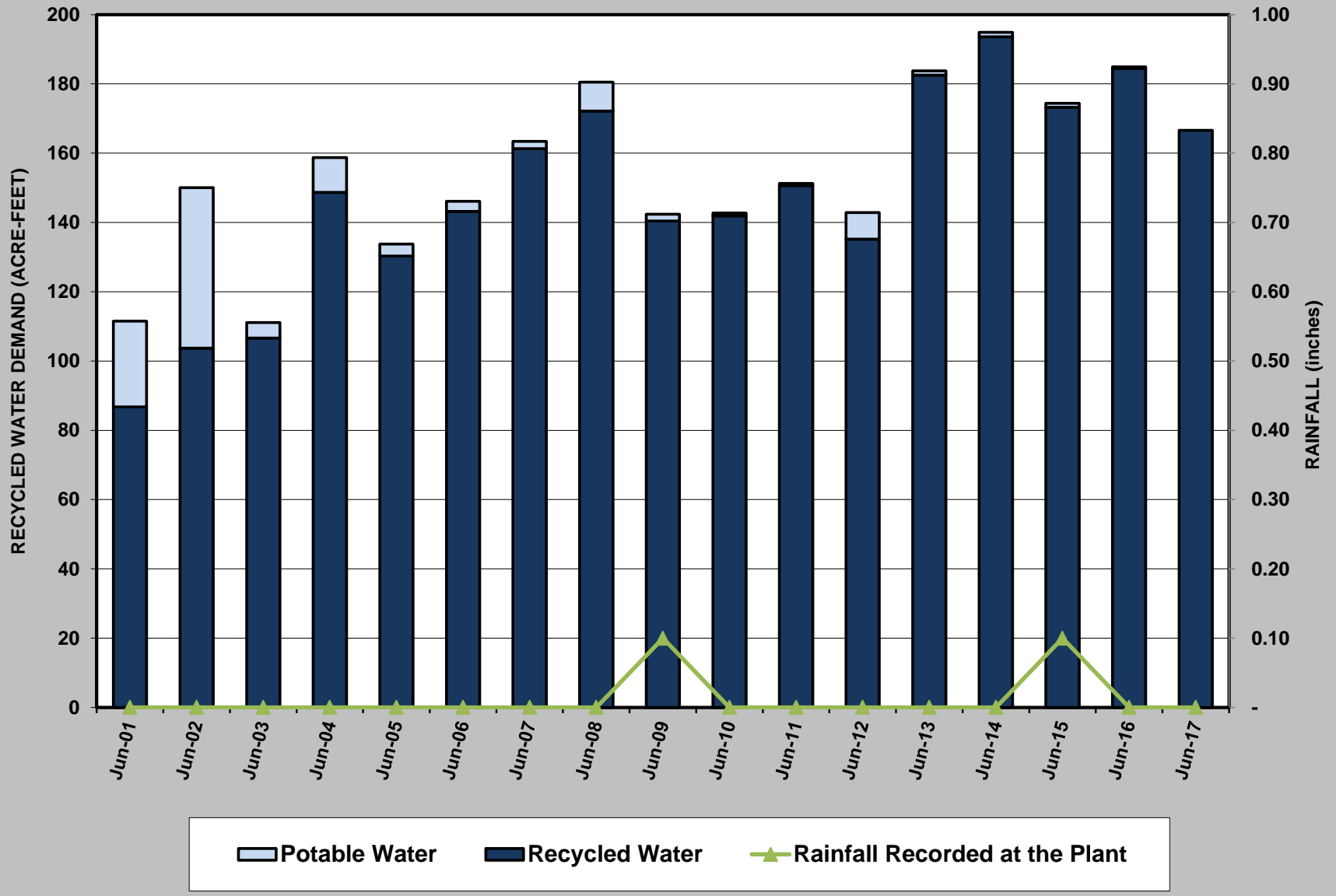
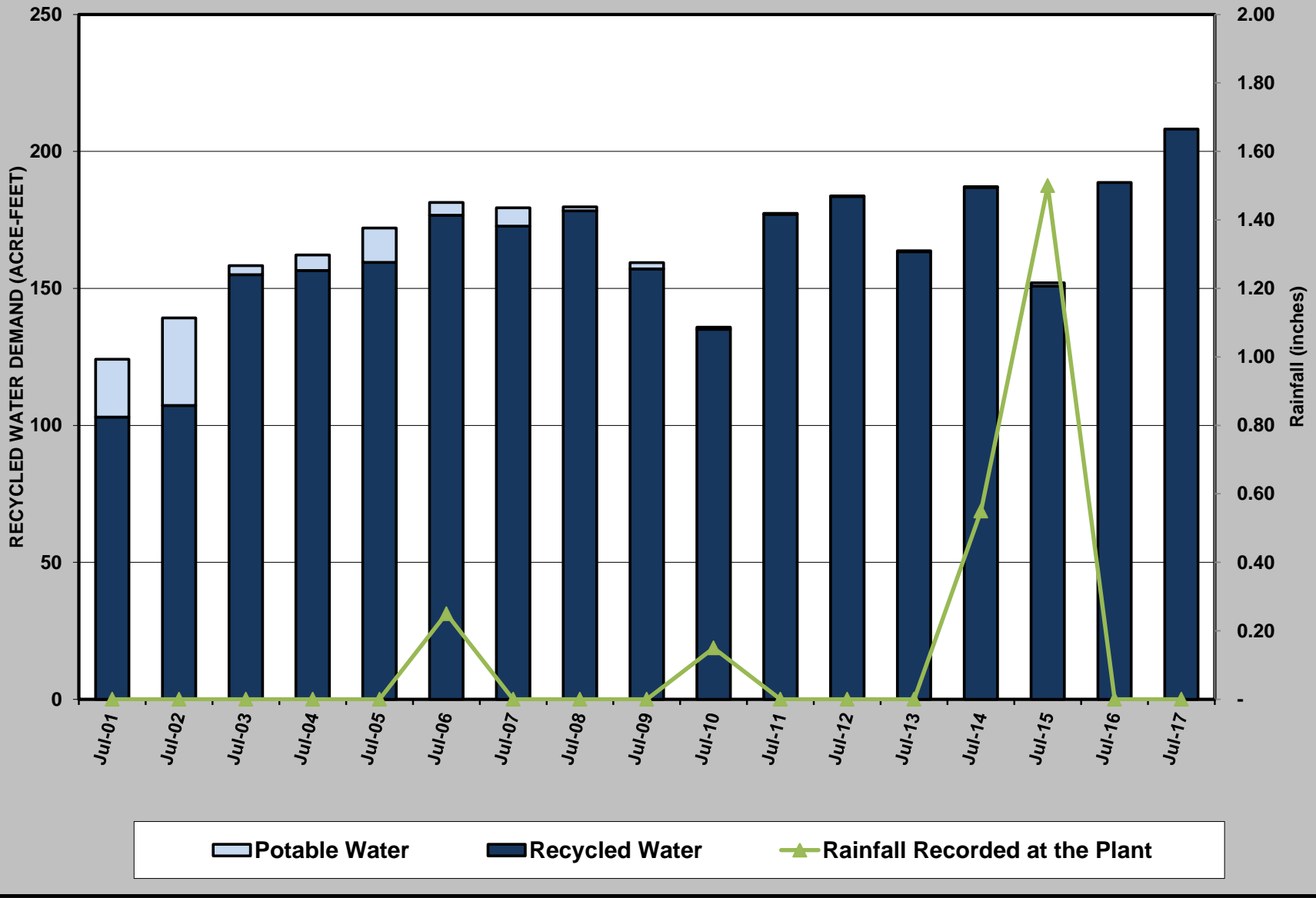


Figure 4 - JULY RECYCLED WATER DEMAND



SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

September 11, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: BIOSOLIDS HAULING AND REUSE/DISPOSAL CONTRACT AMENDMENT
WITH AG TECH, LLC

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute an Amendment to the Biosolids hauling and reuse/disposal contract with Ag Tech, LLC to increase the total contract value by \$350,000; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) owns and operates the San Elijo Water Reclamation Facility (SEWRF). As part of the treatment process, solid materials are separated from the water through a series of processes. The removed solids are treated in accordance with 40 CFR Part 503 (Standards for the Use or Disposal of Sewage Sludge). The SEWRF typically produces approximately 300 wet tons of Class B biosolids per month. The treated biosolids are then hauled offsite by contractor for recycling or disposal.

The SEJPA is entering into the fourth year of a 5-year contract with Ag Tech, LLC to haul biosolids to a farm in Arizona for land application as a soil conditioner or to fertilize crops and vegetation. The total value of the contract is \$518,700 and the contract end date is June 30, 2019.

DISCUSSION

At the June 9, 2014 Board meeting the General Manager was given authorization to enter into a 5-year contract with Ag Tech for biosolids hauling and reuse/disposal services after a formal bidding process determined that Ag Tech was the lowest responsible bidder at \$47.50 per wet ton (including fuel price adjustment). The SEJPA placed an upper limit of \$518,700 based on an assumed annual volume of biosolids to be transported and reused by Ag Tech. The SEJPA has realized that a mathematical error was made when establishing the upper limit of

the contract value. The total contract value for the 5-year period should have been \$868,700, instead of the current value of \$518,700.

In reviewing the contract, Staff is of the opinion that the terms are favorable to the SEJPA, and therefore recommends amending the contract to increase the total contract value by \$350,000. All other terms of the contract shall remain the same.

FINANCIAL IMPACT

Amending the contract with Ag Tech will not negatively impact the SEJPA operating budget. The FY 2017-18 budget includes a planned expense of \$175,000 for biosolids hauling and reuse services. The expected annual expense is estimated to be \$160,000 to \$175,000. The proposed amendment provides adequate funding (\$350,000) for the remaining 2-years of the contract.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to execute an Amendment to the Biosolids hauling and reuse/disposal contract with Ag Tech, LLC to increase the total contract value by \$350,000; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Ag Tech LLC - Draft Amendment 1 to Agreement

ATTACHMENT 1

AMENDMENT 1 TO AGREEMENT

This **AMENDMENT 1** is made and entered into on this _____ day of September, 2017 by and between the San Elijo Joint Powers Authority, hereinafter referred to as "AUTHORITY", and Ag Tech LLC, hereinafter referred to as "CONTRACTOR".

WITNESSETH:

WHEREAS, on April 15, 2014, AUTHORITY entered into an agreement with CONTRACTOR for the provision of Biosolids Hauling and Reuse (Disposal) per Specifications No. SE 2015-BH in the amount of \$518,700;

WHEREAS, the AUTHORITY desires and the CONTRACTOR is willing to amend the AGREEMENT to provide additional hauling and disposal services; and

WHEREAS, the AUTHORITY and CONTRACTOR agree that the fee for the additional services related to this AMENDMENT 1 shall not exceed \$350,000 unless otherwise agreed to by both parties in writing.

NOW THEREFORE, the AUTHORITY and CONTRACTOR agree to amend the first paragraph of Section 3 of the AGREEMENT as follows:

3. AUTHORITY'S OBLIGATIONS. For furnishing services or supplies as specified in the Agreement, AUTHORITY will pay and CONTRACTOR shall receive compensation for Biosolids Hauling and Reuse (Disposal) Services at the unit price of \$47.50 per wet ton for CONTRACTOR'S preferred reuse (disposal) site. The unit price may be adjusted up or down monthly based on the price of diesel fuel as outlined in the proposal. The distance multiplier is 2.7 and the EIA published baseline fuel cost is \$4.126 per gallon. The total amount of biosolids hauling and reuse (disposal) to be hauled and reused may be considerably less. In no case will total compensation exceed \$868,700, derived for hauling biosolids to the Contractor's preferred reuse (disposal) site. The unit cost and total cost shall include all delivery, tax and shipping charges.

All other provisions of the AGREEMENT shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

SAN ELIJO JOINT POWERS AUTHORITY

AG TECH LLC

By: _____
Michael T. Thornton
General Manager

By: _____

Printed Name

Title

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

September 11, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: AWARD OF ENGINEERING SERVICES FOR SOLIDS TREATMENT PROJECT

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to execute an Engineering Agreement with Black & Veatch for the Solids Treatment Project for an amount not to exceed \$190,240; and
2. Discuss and take action as appropriate.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) owns and operates the San Elijo Water Reclamation Facility (SEWRF), which includes 5.25 million gallons per day (mgd) wastewater treatment and 3.02 mgd water reclamation facility. As part of the wastewater treatment process, solid material is separated from the water through a series of processes. The removed solids are treated in accordance with 40 CFR Part 503 (Standards for the Use or Disposal of Sewage Sludge). The SEWRF typically produces approximately 300 wet tons of Class B biosolids per month, which are hauled to Arizona for land application.

The original solids treatment process consisting of two anaerobic digesters was installed in 1965 with the construction of the SEWRF. In 1992, when the treatment plant was expanded to include secondary treatment, two additional digesters were constructed, dissolved air floatation (DAF) tanks and belt filter presses were added for solids thickening. The solids processing equipment including the DAF, belt filter presses, transfer pumps, sludge mixing equipment, heat exchangers, boilers, conveyor, and transfer hopper are nearing the end of their projected useful life; the 2015 Facility Plan recommended replacing and/or upgrading this equipment.

DISCUSSION

Phase III of the 2017 Clean Water Bond included funding for biosolids related projects that are scheduled for construction in 2019. The SEJPA is ready to commence the initial planning and

studying effort that will result in a Project Definition Report for the replacement and upgrading of the solids treatment facilities.

The resulting project definition report will consider the following:

- Evaluate the cost and benefits of Class A and Class B biosolids treatment;
- Assist in process equipment selection (cost, reliability, performance);
- Provide recommendations for rehabilitation/upgrading of existing solids treatment assets;
- Evaluate combined heat and power recoverable energy and biogas utilization options;
- Forecast potential effects of future nitrification modifications on the solids processing; and
- Evaluate the feasibility of transporting the solids to Encina Wastewater Authority for Class A treatment or to the City of San Diego Metro Biosolids facility.

The project definition report will develop an analysis of the solids treatment improvement options including estimated cost to construct and operate, resource use/recovery benefits, and regulatory drivers or concerns. The final deliverable for the first phase of the project will be a Project Definition Report incorporating the recommendations from this analysis.

The SEJPA requested proposals for professional engineering services related to the replacement, rehabilitation, and asset management of critical SEWRF solids processing assets. The request included a process analysis to determine if modifying the current treatment or solids handling process could increase efficiency, reduce operating costs, and/or improve allowance to meet potential future regulatory requirements. Four firms submitted proposals, all of which exhibited a strong comprehension of project needs. The proposal that provided the best combination of qualifications, project understanding, and value based approach was submitted by Black & Veatch (attached).

The proposal listed experience with solids treatment rehabilitation and repair, construction coordination, and management for numerous municipal clients. The proposed project team locally based in San Marcos, CA, exhibits strong experience in solids design utilizing recent data and modern technology. This experience will streamline the process and quickly arrive at a long-term strategy to optimize the cost and beneficial use of the biosolids and biogas resources. This team provides an excellent value in their proposed project approach to efficiently complete this effort. They have a proven track record of successful project delivery on past projects including the award-winning Fallbrook Water Reclamation Facility Expansion and the Encina Wastewater Authority Phase V Biosolids Study and Design.

Black & Veatch's proposal estimates that Project Definition Report will require 6 months to complete and will consist of the following primary tasks:

- Task 1.0 – Project Management and Administration
- Task 2.0 – Workshop Meeting
- Task 3.0 – Review and Document Existing Solids Information
- Task 4.0 – Estimate Future Solids Production Capacity
- Task 5.0 – Review Treatment, Handling, & Reuse Options; Climate Change Impacts
- Task 6.0 – Project Development and Asset Management/Upgrade Recommendation
- Task 7.0 – Business Case Development
- Task 8.0 – Draft Report, Final Meeting and Final Report

FINANCIAL IMPACT

The cost for completing the proposed engineering services and preparing the Project Definition Report is \$190,240. The project will be funded by the Wastewater Capital Program which has a total fund balance of approximately \$7.35 million for biosolids related projects. This funding is from a combination of capital cash reserves and the 2017 Clean Water Bonds. The Project Definition Report is the first expenditure and represents 2.6% of the total project funding.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to execute an Engineering Agreement with Black & Veatch for the Solids Treatment Project for an amount not to exceed \$190,240; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: Black & Veatch – Proposal for Solids Treatment Project



BACKGROUND

The San Elajo Joint Powers Authority (SEJPA) 2015 Facility Plan (available online at www.sejpa.org) catalogued and evaluated major San Elajo Water Reclamation Facility (SEWRF) assets and prepared recommendations for projects required to maintain the functionality of the SEWRF. The Facility Plan identified several solids related projects as long-term projects to aid the agency in environmental protection and resource recovery and reuse. Among the long-term solids related projects that were identified are:

- Dewatering Upgrades – Replace belt filter presses and sludge feed pumps, evaluate and repair sludge hopper, press building mezzanine and roof decking, replace electrical equipment and controls.
- Digester Improvements – Replace sludge circulation pumps, heat exchangers, consider mechanical mixing system, rehabilitate Digester No. 2 lining and cover, repair joints on Digesters No. 3 & 4, consider rehabilitation and piping upgrades to restart Digester No. 1, consider phased digestion.
- DAF Upgrades – Replace TWAS pumps, replace DAF No. 2 drive mechanism, coat and repair metal structures inside both DAF tanks, replace pressurization pump No. 2, consider co-thickening of primary sludge.

The solids processing equipment including the DAF, belt filter presses, transfer pumps, sludge mixing equipment, heat exchangers, boilers, conveyor, and hopper are nearing the end of their projected useful life and SEJPA is planning to replace and/or upgrade this equipment. The SEJPA is also interested in determining the feasibility of re-activating Digester No. 1 which has not been operated for over 15 years.

Under this project SEJPA is seeking professional engineering services related to the replacement, rehabilitation, and asset management of critical SEWRF solids processing assets. The project will include a process analysis to determine if modifying the current treatment or solids handling process would increase efficiency, reduce operating costs, and/or improve allowance to meet potential future regulatory requirements. The project definition report shall consider the following:

- Maintain current solids treatment process with minor modifications, coupled with replacement and/or rehabilitation of existing assets for Class B biosolids;
- Major modifications to current solids treatment process, coupled with replacement and/or rehabilitation of existing assets for Class A biosolids;
- Consider biogas utilization options;
- Evaluate the feasibility of transporting the solids to Encina Wastewater Authority for Class A treatment or to the City of San Diego Metro Biosolids Center;
- Perform a business case analysis.

Under this work a project definition report will develop an alternative analysis of the solids treatment improvement options including estimated cost to construct and operate, resource use/recovery benefits, and regulatory drivers (if any). Black & Veatch shall meet with SEJPA staff to discuss recommendations and formalize the final project recommendation. The final deliverable for the first phase of the project will be a Project Definition Report incorporating the recommendations from this analysis.

The following pages summarize the specific scope of work to be performed under this Agreement.



SCOPE OF WORK – SOLIDS TREATMENT PROJECT

Specific tasks associated with this Project are noted below and further summarized in subsequent paragraphs:

- Task 1.0 – Project Management and Administration
- Task 2.0 – Initial Meeting
- Task 3.0 – Review and Document Existing Solids Information
- Task 4.0 – Estimate Future Solids Production Capacity
- Task 5.0 – Identify Class A Biosolids Residual Handling Technologies, Beneficial Uses, Marketing and Disposal Options
- Task 6.0 – Project Development and Asset Management / Upgrade Recommendation
- Task 7.0 – Business Case Development
- Task 8.0 – Draft Report, Final Meeting and Final Report

TASK 1.0 – PROJECT MANAGEMENT AND ADMINISTRATION

Provide project management and administration activities throughout the project duration as described below:

- Provide monthly invoices with status report defining progress to date of all tasks, cost and expenditures. Backup data for all billed direct costs will be included.
- Prepare a project schedule identifying major project tasks with duration and milestones. This schedule will be regularly updated to highlight critical path tasks.
- Provide for the following progress meetings over the course of the work:
 - Two in person progress meetings, lasting one hour in duration, each
 - Twice a month conference calls
- Administer quality assurance and quality control program.
- Develop and maintain a project trend register.
- Deliverables for all phases of the project will be prepared utilizing the following software packages:
 - Microsoft Word 2010
 - Microsoft Excel 2010
 - Microsoft Project 2010
 - AutoCAD 2016
 - Adobe Acrobat/Bluebeam, PDF

Assumptions:

- Project duration is six months.

Deliverables for Task 1.0:

1. Monthly invoice with progress reports – submit via email in electronic copy (pdf).



TASK 2.0 – INITIAL MEETING

Prior to commencing the Project, an initial meeting shall be held with SEJPA staff to discuss the project approach, scope, schedule, budget, review existing biosolids treatment and disposal operations, and obtain/identify required information. Meeting duration up to four hours and attended by local Black & Veatch staff and Black & Veatch’s solids handling technical specialist in person and other applicable technical specialist via teleconference. Draft meeting minutes will be developed by Black & Veatch and submitted to all meeting attendees within seven days following the meeting. Upon receipt of comments to the draft meeting minutes, final minutes will be distributed to all attendees.

Deliverable for Task 2.0:

1. Draft meeting minutes – submit via email in word format.
2. Final meeting minutes – submit via email in electronic format (pdf).

TASK 3.0 – REVIEW AND DOCUMENT EXISTING SOLIDS INFORMATION, PROCESS INFORMATION AND FACILITY ASSETS

Task 3.1 – Review and Document Existing Solids Information

Under this task, the existing digester and solids information for the SEWRF shall be reviewed including current solids production volumes, quality, production processes, current solids treatment processes, current solids handling, and disposal practices. All applicable information shall be provided by SEJPA for Black & Veatch review.

Task 3.2 – Develop Solids Mass Balance

A detailed mass balance shall be produced showing the current solids treatment flow capacity and maximum flow capacity based on current treatment processes. Current flow information shall be provided by SEJPA. The solids mass balance will be updated in more detail (modeled) to determine the effects of utilizing nitrification within the liquid treatment process and what effects it will have on the solids production. No model calibration will be performed. This impact would be based upon Black & Veatch’s technical expert’s experience and presented as a percent impact. No process modeling calibration will be performed in development of the solids mass balance.

Deliverable for Task 3.2:

1. Solids mass balance – submit via email in electronic format (pdf).

Task 3.3 – Review and Update Solids System Asset Management Information

Review and update the solids system related asset management information provided in the 2015 Facility Plan. Recommendations for asset maintenance and replacement shall be presented as part of subsequent Tasks 5-7. Black & Veatch staff will perform a visual inspection of the solids treatment process equipment/facilities. The inspection will include the following:

- One full day of inspection by Electrical and Mechanical Engineer
- Two full days of inspection by Condition Assessment Engineer
- Areas to be investigated include:
 - ▼ Exterior concrete crack of the digesters (three digesters)
 - ▼ Interior concrete and condition of the off-line digester (additional digester if time and fee permit)



- ▼ Belt Filter Building
- ▼ Mechanical and electrical systems associated with the solids handling process
- Black & Veatch to utilize the following equipment for the condition assessment investigation:
 - ▼ GSSI concrete structure scan
 - ▼ Schmidt hammer concrete tester
 - ▼ 38DL Plus UT gauge
 - ▼ Surface penetrating radar

Assumptions:

- SEJPA to provide man-lift for exterior investigation of concrete cracks on the digesters.
- SEJPA to provide, setup, and operate forced ventilation air system for manned access into the off-line digester.

TASK 4.0 – ESTIMATE FUTURE SOLIDS PRODUCTION CAPACITY

Estimate the future solids production volumes considering future population increases and wastewater flow projections for a 20-year planning period. Include the future flows from the Cities of Solana Beach, Encinitas, and Del Mar service areas. Flow projections will be provided by the SEJPA for each City.

Deliverable for Task 4.0:

1. Future solids production volume summary – submit via email in electronic format (pdf).

TASK 5.0 – IDENTIFY CLASS A BIOSOLIDS RESIDUAL HANDLING TECHNOLOGIES, BENEFICIAL USE, MARKETING AND DISPOSAL OPTIONS

Task 5.1 – Identify Class A Biosolids Handling Technologies

Identify solids handling technologies that could be utilized to produce a Class A biosolids final product. Utilizing previous reports and projects developed by Black & Veatch, information will be gathered to identify equipment that would fit best within the SEWRP facilities to develop Class A biosolids. A spreadsheet will be developed to capture the various technologies considered and to summarize their advantages and disadvantages.

Deliverable for Task 5.1:

1. A spreadsheet summarizing the solids handling technologies considered – submit via email in electronic format (pdf).

Task 5.2 – Meet with SEJPA Staff to Discuss Solids Management

Meet with SEJPA staff to discuss the SEJPA solids management views in order to refine the analysis to alternatives that are appropriate for consideration by the SEJPA. Meeting duration up to two hours and attended by local Black & Veatch staff in person and applicable technical specialist via teleconference. Draft meeting minutes will be developed by Black & Veatch and submitted to all meeting attendees within seven days following the meeting. Upon receipt of comments to the draft meeting minutes, final minutes will be distributed to all attendees.

***Deliverable for Task 5.2:***

1. Draft meeting minutes – submit via email in word format.
2. Final meeting minutes – submit via email in electronic format (pdf).

Task 5.3 – Identify Energy Recovery Options

Utilizing previous reports and projects developed by Black & Veatch, information will be utilized to identify energy recovery, with the focus on Biogas only. A spreadsheet will be developed to capture the various options considered and to summarize their advantages and disadvantages. Budgetary costs for construction and operation will be developed.

Deliverable for Task 5.3:

1. A spreadsheet summarizing the energy recovery and green energy benefits – submit via email in electronic format (pdf).

Task 5.4 – Evaluate Feasibility to Transport Solids to EWA or the CSD Metro Biosolids Center for Treatment

Evaluate the conceptual feasibility of transporting the solids to Encina Wastewater Authority for Class A treatment at their facility or to the City of San Diego Metro Biosolids Center. Work under this task will include the following:

- One conversation with each entity (EWA and City) to discuss feasibility of acceptable solids from another agency to explore the following:
 - Anticipated industry challenges of not being a current member
 - Anticipated permit challenges
 - Anticipated cost to buy into the agencies system, if applicable
- High level alignment investigation to determine a viable route – one alignment to each facility
- Utilize current industry costs, \$/in-ft and \$/hp to develop conceptual cost opinions
- Conceptual cost analysis of both options if they are found to be feasible
- A spreadsheet will be developed to capture the various options considered and to summarize their advantages and disadvantages

Deliverable for Task 5.4:

1. Alignment maps showing the proposed pipeline to the various facilities – submit via email in electronic format.
2. A spreadsheet summarizing the alternatives for the two options – submit via email in electronic format (pdf).

Task 5.5 – REVIEW CLIMATE ACTION PLANS

Black & Veatch shall review the City of Solana Beach and the City of Encinitas Climate Action Plans (CAPS) to understand their goals, drivers and established timelines. The degree to which the various biosolids handling and biogas utilization options support the CAPS will be discussed and presented at a conceptual level.

Deliverable for Task 5.5:

1. Input related to CAP objectives will be provided with the evaluation of options for biosolids handling and biogas utilization. This information will be provided as part of the deliverables for Tasks 5.1 through 5.4.



TASK 6.0 – PROJECT DEVELOPMENT AND ASSET MANAGEMENT / UPGRADE RECOMMENDATIONS

Task 6.1 – Develop Project Description and Recommendations for Asset Replacement and Upgrades

Using the information obtained in Tasks 2 through 5, develop a project descriptions and recommendations for asset replacement and upgrades. Provide a detailed justification for each aspect of the project with figures showing potential layout of new or updated process equipment. A coarse screening will be utilized to delineate the advantages and dis-advantages of the various options.

Anticipated drawings include:

- Site plan reflect new facilities/modifications to existing facilities
- Process schematic
- Drawings showing new facilities and modifications to existing equipment/piping – up to 5 figures

Deliverable for Task 6.1:

1. Coarse screening technical memorandum with support figures summarizing the project descriptions and recommendations – submit three (3) hard copies and one electronic copy (pdf).

Task 6.2 – Meet with SEJPA Staff to Discuss Recommendations and Formalize Final Project Recommendations

Meet with SEJPA staff to discuss recommendations and formalize the final project recommendations. Meeting duration up to two hours and attended by local Black & Veatch staff in person and applicable technical specialist via teleconference. Draft meeting minutes will be developed by Black & Veatch and submitted to all meeting attendees within seven days following the meeting. Upon receipt of comments to the draft meeting minutes, final minutes will be distributed to all attendees.

Deliverable for Task 6.2:

1. Draft meeting minutes – submit via email in word format.
2. Final meeting minutes – submit via email in electronic format (pdf).

TASK 7.0 – PERFORM DETAILED BUSINESS CASE DEVELOPMENT

A detailed economic analysis shall be performed on the final recommended project, including capital costs, annual operation and maintenance costs, potential revenue from the marketing of end products, value of recoverable energy, annual savings (if applicable) compared to the current and future costs associated with the existing system, and the calculated payback period based on the value of recoverable energy and the calculated savings.

Deliverable for Task 7.0:

1. Technical memorandum summarizing the business case development – submit three (3) hard copies and one electronic copy (pdf).



TASK 8.0 – DRAFT REPORT, FINAL MEETING AND FINAL REPORT

Task 8.1 – Prepare Project Definition Report

A Draft Project Definition Report shall be prepared and submitted to the SEJPA utilizing the information developed in Tasks 2 through 7. The draft report shall include recommendations and definitions of what facilities and improvements will be incorporated. The draft report shall also include simple prioritization of improvements based upon the relative risk. SEJPA will provide review comments to Black & Veatch in one overall comprehensive spreadsheet.

Deliverable for Task 8.1:

1. Draft project definition report – five hard copies and one electronic format (pdf).

Task 8.2 – Meet with SEJPA Staff to Discuss Review Comments

Following submittal of the Draft Report, the Consultant shall meet with SEJPA staff to discuss review comments. Meeting duration up to two hours and attended by local Black & Veatch staff in person and applicable technical specialist via teleconference. Draft meeting minutes will be developed by Black & Veatch and submitted to all meeting attendees within seven days following the meeting. Upon receipt of comments to the draft meeting minutes, final minutes will be distributed to all attendees.

Deliverable for Task 8.2:

1. Draft meeting minutes within seven days following the meeting – submit via email in word format.
2. Final meeting minutes – submit via email in electronic format (pdf).

Task 8.3 – Final Project Definition Report

Upon incorporation of SEJPA review comments, the Final Report will be prepared and submitted. Up to eight hours has been allocated for Black & Veatch to help present the findings of the report to the SEJPA Board of Directors.

Deliverable for Task 8.3:

1. Final definition report – five hard copies and one electronic format (pdf).

FEE

The cost associated with the services noted above is presented within the attached fee estimate.



**San Elajo Joint Powers Authority
Solids Treatment Project
Fee Estimate**



Task	Description	Project Director	Program Manager / Project Manager II	Engineering Manager	Technical Advisor / QA/QC	Technical Specialist II	Technical Specialist I	Project Engineer / Process Engineer	Senior Cost Estimator	Staff Engineer	CAD / Designer	Admin Staff	B&V Total Hours	Fee - B&V Labor	Indirect Expenses (\$7.50/hour) ⁽¹⁾	B&V Direct Expenses ⁽²⁾	Total
		\$300	\$255	\$230	\$260	\$250	\$225	\$155	\$160	\$130	\$120	\$90					
1.0	PROJECT MANAGEMENT AND ADMINISTRATION																
	Project Management & Administration		4	8				2				14	28	\$4,430	\$210		\$4,640
	Progress Meetings and Twice a Month Conference Calls	4	8	8		4		8				2	30	\$7,500	\$230		\$7,730
	Subtotal	4	12	16	-	4	-	10	-	-	-	16	58	\$11,930	\$440	\$0	\$12,370
2.0	INITIAL MEETING																
	Initial Meeting	4	4	6		8		6				2	26	\$6,710	\$200	\$1,500	\$8,410
	Subtotal	4	4	6	-	8	-	6	-	-	-	2	26	\$6,710	\$200	\$1,500	\$8,410
3.0	REVIEW AND DOCUMENT EXISTING SOLIDS INFORMATION																
3.1	Review and Document Existing Solids Information		2	4		8	8	10		4		2	38	\$7,480	\$290		\$7,770
3.2	Develop Solids Mass Balance				2	24		36					62	\$12,100	\$470		\$12,570
3.3	Review and Update Solids System Asset Management Information		2	4		32	40	40		8		2	128	\$25,850	\$960	\$4,900	\$31,710
	Subtotal	-	4	8	2	64	48	86	-	12	-	4	228	\$45,430	\$1,720	\$4,900	\$52,050
4.0	ESTIMATE FUTURE SOLIDS PRODUCTION CAPACITY																
	Estimate Future Solids Production Volumes for 20-year Planning Period		2	2		2		12		4			22	\$3,850	\$170		\$4,020
	Subtotal	-	2	2	-	2	-	12	-	4	-	-	22	\$3,850	\$170	\$0	\$4,020
5.0	IDENTIFY CLASS A BIOSOLIDS RESIDUAL HANDLING TECHNOLOGIES, BENEFICIAL USE, MARKETING AND DISPOSAL OPTIONS																
5.1	Identify Class A Biosolids Handling Technologies		4	4		16		16				2	42	\$8,600	\$320		\$8,920
5.2	Meet with SEJPA Staff to Discuss Solids Management	2	2	4		4		6				2	18	\$4,140	\$140	\$1,500	\$5,780
5.3	Identify Energy Recovery and Green Energy Benefits		2	4		16		16	8			2	48	\$9,370	\$360		\$9,730
5.4	Evaluate Feasibility to Transport Solids to EWA or to City of San Diego MBC for Treatment		2	4		2		12	4	6	8	2	40	\$6,350	\$300		\$6,650
5.5	Review Climate Action Plans (2 total) and Discuss Project Improvement Impacts	2	6	6		8		20				-	40	\$8,610	\$300		\$8,910
	Subtotal	4	16	22	-	46	-	70	12	6	8	8	188	\$37,070	\$1,420	\$1,500	\$39,990
6.0	PROJECT DEVELOPMENT AND ASSET MANAGEMENT / UPGRADE RECOMMENDATIONS																
6.1	Develop Project Description and Recommendations for Asset Replacement and Upgrades	2	4	6	2	16		40	8		20	8	104	\$18,120	\$780		\$18,900
6.2	Meet with SEJPA Staff to Discuss Recommendations and Formalize Final Project Recommendations	2	2	4		6		6				2	20	\$4,640	\$150		\$4,790
	Subtotal	4	6	10	2	22	-	46	8	-	20	10	124	\$22,760	\$930	\$0	\$23,690
7.0	PERFORM DETAILED BUSINESS CASE DEVELOPMENT																
	Perform Detailed Business Case Development		4	8		8		20	10	16		4	70	\$12,000	\$530		\$12,530
	Subtotal	-	4	8	-	8	-	20	10	16	-	4	70	\$12,000	\$530	\$0	\$12,530
8.0	DRAFT REPORT, FINAL MEETING AND FINAL REPORT																
8.1	Prepare Draft Preliminary Design Report	2	6	12	8	16	8	30	8	10	12	10	120	\$22,340	\$900	\$500	\$23,740
8.2	Meet with SEJPA Staff to Discuss Review Comments	2	2	up		6		8		2		2	20	\$4,290	\$150		\$4,440
8.3	Finalize Preliminary Design Report	2	2	6	2	8	2	8	4	2	2	4	40	\$8,200	\$300	\$500	\$9,000
	Subtotal	6	10	18	10	30	10	46	12	14	14	16	180	\$34,830	\$1,350	\$1,000	\$37,180
	PROJECT TOTAL	22	58	90	14	184	58	296	42	52	42	60	896	\$174,580	\$6,760	\$8,900	\$190,240

Notes:

- Hourly charge of \$7.50 applied for computer, in-house reproduction, telephone, local mileage in accordance with IRS rates, and postage.
- Includes other direct costs billed at cost: Travel (transportation, car rental and fuel, lodging, meals, parking tolls, mileage at IRS rate), reproduction of large sets and reports.

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

September 11, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CONSOLIDATION OF AGREEMENTS WITH THE OLIVENHAIN MUNICIPAL
WATER DISTRICT FOR THE SALE OF RECYCLED WATER AND
INFRASTRUCTURE MAINTENANCE

RECOMMENDATION

It is recommended that the Board of Directors:

1. Authorize the General Manager to consolidate existing agreements with the Olivenhain Municipal Water District for the Sale of Recycled Water and Infrastructure Maintenance; and
2. Discuss and take action as appropriate.

BACKGROUND

In 2012, the San Elijo Joint Powers Authority (SEJPA) entered into agreement (attached) with Olivenhain Municipal Water District (OMWD) for the sale of recycled water. The agreement provides the terms and conditions for the sale of recycled water by the SEJPA to OMWD for a 20 year period, with the ability to extend the term, and included a minimum water purchase volume of 25 acre-feet per year (AFY).

In 2014, the SEJPA and OMWD entered into a second agreement (attached) for the sale of recycled water, for a term of 30 years, with the ability to extend the term, and included a minimum water purchase volume starting at 60 AFY in Fiscal Year Ending (FYE) 2017, and increasing to 160 AFY in FYE 2021, which thereafter remains at 160 AFY for the term of the agreement.

Also, in 2014, the SEJPA and OWMD entered into a third agreement (attached) for the construction and maintenance of mutually beneficial recycled water infrastructure including pipelines and the Weigand Reservoir conversion that are necessary for the storage and conveyance of recycled water produced by the SEJPA and distributed by OMWD.

DISCUSSION

The SEJPA has two recycled water sales agreements and one agreement for construction and maintenance of mutually beneficial recycled water infrastructure. OMWD and the SEJPA

are interested in consolidating the agreements into a single agreement, having a term of 30 years, with the option to extend upon mutual agreement. The parties are in discussion to raise the minimum purchase volume and have the agreement based on a fiscal year, which is consistent with all other SEJPA recycled water purchase agreements (currently, one of the OMWD agreements is on a calendar year basis). Discussions on the new consolidated agreement have the minimum purchase volume for FYE 2017 remaining at 85 AFY, be inclusive of all recycled water sold by the SEJPA to OMWD, and have the minimum purchase volume increase to 200 AFY by FYE 2023, at which time it would remain fixed for the duration of the agreement or until amended in the future. The current minimum purchase for all OMWD's recycled water agreements is 185 AFY in FYE 2021.

FINANCIAL IMPACT

Consolidation of the three agreements between the SEJPA and OMWD is expected to be cost neutral, providing allowances to streamline agreement administration, and provide clarity to terms and conditions.

It is therefore recommended that the Board of Directors:

1. Authorize the General Manager to consolidate existing agreements with the Olivenhain Municipal Water District for the Sale of Recycled Water and Infrastructure Maintenance; and
2. Discuss and take action as appropriate.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachment 1: 2017 Draft - OMWD Recycled Water Wholesale Agreement

Attachment 2: 2012 OMWD Recycled Water Wholesale Agreement

Attachment 3: 2014 OMWD Recycled Water Wholesale Agreement

Attachment 4: Agreement for the Construction of Improvements Related to the Village Park Recycled Water Project

ATTACHMENT 1

AGREEMENT FOR THE SALE OF RECYCLED WATER AND OWNERSHIP AND MAINTENANCE OF THE VILLAGE PARK PROJECT COMPONENTS BETWEEN SAN ELIJO JOINT POWERS AUTHORITY (SEJPA) AND OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD)

This Agreement is entered into by and between Olivenhain Municipal Water District, a Municipal Water District organized and operating pursuant to Water Code Sections 71000 et seq. (hereinafter “OMWD”) and San Elijo Joint Powers Authority, a joint powers authority organized and operating pursuant to Government Code Sections 6500 et seq., (hereinafter “SEJPA”), (collectively “the Parties”).

RECITALS

1. SEJPA owns and operates the San Elijo Water Reclamation Facility (SEWRF), which has the capacity to produce approximately 3 million gallons per day (MGD) of tertiary treated recycled water from collected and treated wastewater. SEJPA is empowered to exercise powers common to county sanitation districts organized under Health & Safety Code section 4700, et. seq., which includes the power to “sell, or otherwise dispose of, any water, sewage effluent, fertilizer, or other by-product resulting from the operation of a sewerage system, sewage disposal plant, refuse disposal plant, or treatment plant, and construct, maintain, and operate such pipe lines and other works as may be necessary for that purpose.” (Health & Safety Code § 4744.)

2. OMWD owns and operates the Wiegand Water Tank Reservoir and continues to construct recycled water facilities capable of delivering recycled water to a variety of projects within its service area.

3. OMWD and SEJPA have been partners for several years in the North San Diego Water Reuse Coalition, a partnership of eleven water, wastewater, and recycled water agencies and cities that are focused on the cooperative advancement of water reuse in north San Diego County. The regionalism of the recycled water system is a focus of this coalition and has led to the integration of recycled water systems across North San Diego County, including a supply connection between the SEJPA and OMWD in 2013. The OMWD Northwest Quadrant is currently supplied with recycled water by both SEJPA and the Vallecitos Water District,

representing the growing interconnectedness and regionalization of the recycled water system in north San Diego County.

4. The OMWD Wiegand Tank has been converted to recycled water to serve customers in the Village Park area of the City of Encinitas with recycled water as well as to provide a regional recycled water storage facility for SEJPA and OMWD.

5. OMWD has two agreements with the SEJPA to provide recycled water to OMWD, and one agreement related to the Village Park Recycled Water Construction Project:

1. Agreement for Sale of Recycled Water Between San Elijo Joint Powers Authority and Olivenhain Municipal Water District dated October 10, 2012;
2. Agreement for the San Elijo Joint Powers Authority (SEJPA) to Deliver Recycled Water to the Olivenhain Municipal Water District (OMWD) for the Village Park Recycled Water Project Service Area dated July 28, 2014; and
3. Agreement Between the San Elijo Joint Powers Authority and the Olivenhain Municipal Water District for the Construction of Improvements Related to the Village Park Recycled Water Project dated July 28, 2014.

6. OMWD and SEJPA desire to terminate all three agreements, and consolidate the terms and conditions outlined in each agreement into one single agreement, and update certain agreed upon terms and conditions.

COVENANTS

1. **Recycled Water Quality.** SEJPA shall treat the recycled water from the SEWRF in conformance with the water quality requirements provided by Title 22, Division 4, of the California Code of Regulations ("CCR"), section 60305, "Use of Recycled Water for Impoundments," intended as a source of supply for non-restricted recreational impoundments suitable for body contact in compliance with the criteria specified in CCR section 60301.230(b) for "Disinfected Tertiary Recycled Water" (Title 22) or as specified by the requirements of Order No. 2000-10, Master Recycled Water Permit for the Production and Purveyance of Recycled Water for San Elijo Joint Powers Authority, San Dieguito Water District, Santa Fe Irrigation

District, and City of Del Mar, San Elijo Water Reclamation Facility, San Diego County as adopted by the California Regional Water Quality Board, San Diego Region, which incorporates California's Title 22 Regulations, and Addendum No. 1 to Order No. 2000-10, adopted on March 13, 2013, which also incorporates California's Title 22 Regulations. SEJPA shall use its best good faith efforts to ensure that said recycled water meets the forgoing CCR Title 22 standards; however, SEJPA does not guarantee or warrant the quality of the recycled water provided OMWD or subsequent users. Both Parties understand that the presence of dissolved minerals in the recycled water is measured as total dissolved solids ("TDS") and other substances in higher concentrations can be deleterious to the plants irrigated with such water. Both Parties agree that SEJPA's failure to supply recycled water in accordance with Title 22 or with TDS concentration of less than 1000 milligrams per liter (mg/l), as determined in conformance with the methodology specified in the SEWRF Waste Discharge Permit, will be grounds for OMWD to suspend its obligation to accept and pay for recycled water from SEJPA until quality is restored to less than 1000 mg/L TDS.

The Parties further recognize that during periods of drought or other water supply shortage, SEJPA may experience lower flow as a result of water use efficiency efforts. However, the amounts of salts received would not decrease and can cause the TDS levels to rise. During such drought or other water supply shortage periods designated by the Metropolitan Water District of Southern California ("MWD") and/or the San Diego County Water Authority ("SDCWA"), as "Drought Level 2", the Parties agree that recycled water with TDS concentrations of no more than 1200 mg/l will be an acceptable quality to OMWD under the terms of this Agreement. In no case shall OMWD be required at any time to accept recycled water with TDS concentrations in excess of 1200 mg/L.

2. **Quantity of Recycled Water.** During the term of this agreement, OMWD agrees to purchase and SEJPA agrees to deliver recycled water according to the following schedule:

Fiscal Year (FY)	Anticipated Deliveries (AF)	Minimum Purchase Volume (AF)
2016-2017	130	85
2017-2018	150	100
2018-2019	200	125
2019-2020	225	155
2020-2021	260	185
2021-2022	280	In Discussion
2022-2023	300	In Discussion

NOTE: 185 AFY is the current total minimum purchase volume between OMWD and SEJPA.

Fiscal year is defined as beginning July 1st and ending June 30th.

Both parties hereto understand and accept the fact, with no liability to either party, that there may be unanticipated interruptions in recycled water service due to emergencies, water quality issues, regulatory requirements or other unplanned events. During such interruptions, the SEJPA and OMWD shall take reasonable measures to provide supplemental potable water to the recycled water customers until sufficient recycled water is available. Supplemental potable water is further detailed in Section 14 of this agreement. In the event that recycled water is not available in the quantity set forth above, OMWD shall not be obligated to pay for that portion of water in the affected contract year.

3. **Price of Recycled Water.** Purchase prices and terms shall be as follows:

a) From July 1, 2017 to June 30, 2018, the rate charged by SEJPA to OMWD for recycled water shall be \$1,466.00 per acre-foot.

b) From July 1, 2018 through June 30, 2022, the rate charged by SEJPA to OMWD for recycled water shall escalate at a rate no less than 2% annually and no greater than 5% annually as prescribed through a cost-of-service methodology approved by the SEJPA Board of Directors at a public meeting.

c) For the period beginning July 1, 2022 through the remaining term of the agreement, a mutually agreeable pricing structure for recycled water shall be determined by

the Parties. The pricing structure shall be based on cost-of-service principles similar to those for establishing potable water rates and consistent in price with other SEJPA recycled water wholesale agreements that provide the same level of service. In the event that a mutually agreeable pricing structure cannot be reached within 90 days before July 1, 2022, a rate increase of three and one-half percent (3.5%) shall go into effect July 1, 2022 and on July 1 each year thereafter until a mutually agreeable price is reached or the disagreement is resolved through dispute resolution in accordance with Paragraph 28 of this Agreement. SEJPA agrees to continue delivering recycled water to OMWD, and OMWD agrees to continue paying for recycled water, in accordance with the terms of this agreement until such time as an agreeable pricing structure has been reached or the Parties agree to terminate the Agreement.

4. **Recycled Water Purchase Payment.** OMWD shall provide a usage statement to the SEJPA monthly for all recycled water delivered by the SEJPA through OMWD's Master Meters and other meters that measure flow outside of the master meters, payment of which is due 30 days after receipt.

5. **Infrastructure Rent.** In recognition of OMWD's recycled water infrastructure investments constructed to convey recycled water from SEJPA's facilities to OMWD customers ("RW Infrastructure"), the SEJPA shall provide an infrastructure rent of \$450.00 per acre-foot of recycled water measured through OMWD's Master Meters, and other meters that measure flow outside of the master meters and that are connected to OMWD RW infrastructure. OMWD customer meters that are outside of the master meters and that are connected to SEJPA owned pipelines do not qualify for infrastructure rent. The infrastructure rent shall be continued with any term extension in accordance with Paragraph 22 of this Agreement for a total period of 65 years or until rent paid is equal to the full value of the constructed OMWD infrastructure outlined in Paragraph 16 minus any grant funding received to offset or reimburse OMWD for said infrastructure cost ("Infrastructure Value"), or until the agreement is terminated, whichever comes first. Additional RW Infrastructure improvements constructed by OMWD during the term of the agreement and that are agreed upon by both OMWD and SEJPA shall be added to the Infrastructure Value.

6. **Infrastructure Rent Payment.** OMWD shall invoice SEJPA monthly for all SEJPA's recycled water delivered to OMWD through OMWD's Water Master Meters and other meters that measure flow outside of the master meters and that are connected to OMWD RW infrastructure, payment of which is due 30 days after receipt.

7. **Non-Interruptible Delivery.** The delivery of recycled water from SEJPA to OMWD shall be considered a non-interruptible supply, whereas the SEJPA will not voluntarily or intentionally interrupt delivery unless in emergency or where there is insufficient influent, treatment capacity, or conveyance capacity. OMWD shall receive recycled water delivery at the same priority as all other SEJPA "non-interruptible" wholesale customers. OMWD may utilize, in its sole discretion, recycled water from Vallecitos Water District, as necessary during periods of low supply or high demand, to augment SEJPA system supplies. The use of the Vallecitos water is not an obligation on OMWD under this agreement, but rather a commitment to partnership efforts in order to assist system operations when possible and feasible.

8. **Wiegand Tank Ownership.** OMWD shall continue to own the Wiegand Tank. As a term of this agreement, OMWD agrees to provide SEJPA with a long term lease for tank storage, usage, and operation. The term of the lease is equivalent to the length of this agreement and terminates with the termination of this agreement. The term may be extended as provided in Paragraph 22. SEJPA shall not assign its lease for the operation of the Wiegand Tank.

9. **Wiegand Tank Operation and Maintenance.** SEJPA shall operate the Wiegand Tank to provide recycled water supply to OMWD to meet the demands described in Paragraph 2 of the Recitals. This agreement authorizes the SEJPA to utilize excess storage capacity in the Wiegand Tank to serve other customers and provide system storage, provided this can be done with no loss of supply to OMWD. Annual operations and maintenance costs of the Wiegand Tank shall be shared equally between the parties. OMWD utilizes a tank maintenance contractor under a long term contract to schedule and perform routine maintenance on the Wiegand Tank. OMWD shall continue to maintain the tank under its current contract with its tank maintenance contractor. In addition, the Wiegand Tank access road may require

maintenance and shall be included in the Wiegand Tank maintenance costs. OMWD shall invoice SEJPA annually for 50% of the Wiegand Tank maintenance costs, excluding OMWD staff time. SEJPA agrees to pay for 50% of the Wiegand Tank maintenance costs within 30 days of the date of the invoice to SEJPA by OMWD. In the event OMWD determines, in its sole discretion, to cease utilization of a tank maintenance contractor, OMWD and SEJPA agree to renegotiate the terms of this paragraph. SEJPA understands and agrees that the costs of any potable water supplies added into the system are the sole responsibility of SEJPA. Currently, the Wiegand Tank is not equipped to add supplemental potable water; however, if this improvement is made in the future, the construction will be at SEJPA's sole expense.

10. **Emergency Repairs**. Emergency repairs for pipes, meters, valves, service laterals, electrical and other critical systems used for the storage and delivery of SEJPA's recycled water to OMWD's customers may be performed by OMWD or its contractors with SEJPA's express consent.

11. **Emergency Repair Payment**. OMWD shall invoice SEJPA for all emergency repairs authorized by SEJPA and provided by OMWD, payment of which is due 30 days after receipt. Emergency repairs invoiced to SEJPA shall be supported by expense records.

12. **Wiegand Tank Monitoring Equipment**. Both agencies shall install and maintain their own monitoring equipment at the tank at their own costs and shall be responsible for the operation and maintenance of their own equipment.

13. **Recycled Water Meters**. Recycled water flow meters (Meters) shall measure the quantity of recycled water supplied to OMWD by SEJPA and shall be used for billing purposes. There are two types of Meters, both located in OMWD's service area:

1. Master Meters, and
2. Meters Other, defined as meters upstream from the Master Meters and that measure recycled water delivery to OMWD customers

OMWD shall read these meters on the first day of each month and report the meter reading and recycled water use to SEJPA by the 5th day of each month. Operation, maintenance, and calibration of these meters shall be the responsibility of OMWD and conducted on a mutually agreeable schedule. Calibration of the Master Meters shall be performed at a minimum of at least every 5 years from the date of operation. All costs associated with the meters shall be the responsibility of OMWD.

14. **Supplemental Potable Water.** OMWD agrees to provide potable water, if available, to supplement the recycled water supply during times of emergency and peak usage that result in a low water level in the tank, which can have detrimental effects to the distribution system. OMWD agrees that the price of supplemental potable water charged to SEJPA shall be equal to recycled water wholesale price charged by the SEJPA to OMWD through this agreement. OMWD shall invoice SEJPA monthly for supplemental water purchases.

15. **Compliance With Regulatory Requirements.** OMWD and SEJPA agree to comply with all applicable recycled water distribution regulations issued and/or mandated by the State of California Department of Public Health (CDPH), the County of San Diego Department of Environmental Health (DEH), and the California Regional Water Quality Control Board, San Diego Region (RWQCB). OMWD shall be responsible for ensuring that all users of recycled water within OMWD's jurisdiction shall be in compliance with OMWD's discharge order issued by the RWQCB, and that all users shall be made to comply with OMWD's most recent recycled water rules and regulations.

16. **OMWD Recycled Water Improvements.** OMWD will be responsible for the design, construction, operation, maintenance, and cost of all improvements, including pipelines, pump stations, meters and other facilities necessary for the distribution of recycled water from the master meters described in Paragraph 13 of this Agreement to its customers.

17. **Incentives and Rebates.** Both parties agree that any incentives, rebates, grants and/or loans obtained to build and operate the SEJPA's recycled water treatment and

distribution system from the San Diego County Water Authority (CWA), Metropolitan Water District of Southern California (MWD), California Water Resources Control Board, et al., shall be solely used by the SEJPA to construct, operate, and maintain said system, and to reduce the cost of recycled water to OMWD and other SEJPA recycled water customers. It is further understood that OMWD shall be ineligible to separately apply for financial incentive from either CWA or MWD for the use of recycled water from SEJPA.

This agreement does not prevent OMWD from pursuing incentives or rebates for other recycled water projects or for other future projects with the SEJPA as agreed upon by both OMWD and SEJPA.

18. **Notices.** All letters, statements, or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served, transmitted by facsimile machine, or sent certified mail, return receipt requested, to the following addresses or facsimile numbers:

To: "SEJPA"
San Elijo Joint Powers Authority
Attention: Michael Thornton, General Manager
2695 Manchester Avenue
PO Box 1077
Cardiff by the Sea, CA 92007
Facsimile No. (760) 753-5935

To: "OMWD"
Olivenhain Municipal Water District
Attention: Kimberly A. Thorner, General Manager
1966 Olivenhain Road
Encinitas, California 92024
Facsimile No. (760) 753-5640

19. **Assignment.** This Agreement or any interest therein or any monies due or that are to become due thereunder shall not be assigned, hypothecated, or otherwise disposed of without the prior written consent of both Parties to this Agreement, which consent shall not be unreasonably withheld.

20. **Access to Records.** The Parties shall each keep proper books and records in which complete and correct entries shall be made of all recycled water delivered to OMWD throughout the duration of this Agreement. All such records and books, except those exempt from disclosure by law, shall, upon written request, be made available and subject to inspection by any duly authorized representative of each party and of the RWQCB, within 10 days after receipt of such notification.

21. **No Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to or shall confer upon any other agency or person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

22. **Term of Agreement.** The term of this Agreement shall be 30 years from the effective date of this agreement. The agreement may be extended in 10 year increments beyond the initial 30 years upon mutual written agreement of both parties. If the Agreement is not renewed, the lease for Operation of the Wiegand Tank shall also be terminated and SEJPA's use of all facilities, including the Wiegand Tank, jointly or singly owned by OWMD will terminate and revert to OMWD for ownership, operation, and maintenance.

23. **Termination.** If at any time during the term of this Agreement, recycled water in compliance with the standards referenced herein cannot lawfully be used by OMWD for the purposes intended by this Agreement, because of government regulations now in effect or hereinafter imposed, or, if OMWD should for any reason breach its obligations under this Agreement in any material respect, including, but not limited to, failure to pay for recycled water as required, failure to accept recycled water as required, failure to maintain facilities, or other substantial failure, SEJPA may terminate this Agreement with no further obligation by giving 180 days' written notice thereof to OMWD. During said 180 day period, OMWD shall have the opportunity to cure the breach in the Agreement before termination occurs. In the event SEJPA refuses to deliver recycled water to OMWD in conformance with this Agreement for any reason, or if SEJPA fails to deliver recycled water that complies with all applicable federal, state and local standards required for OMWD's intended use of the recycled water,

OMWD may terminate this Agreement with no further obligation upon 60 days' written notice thereof to SEJPA.

24. **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof superseding all negotiations, prior discussions, agreements, and understandings, written or oral. This Agreement shall not be amended, except by written consent of the Parties, and no waiver of any rights under this Agreement shall be binding unless it is in writing signed by the party waiving such rights. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the other provisions of this Agreement shall be held to be valid and binding on the Parties.

25. **Binding Effect.** This Agreement shall be binding upon the Parties and their respective successors in interest, permitted assigns, executors, administrators, and personal representatives.

26. **Indemnification.** SEJPA agrees, to the fullest extent permitted by law, to indemnify and hold OMWD, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) arising from, related to or in any way connected with this Agreement to the extent caused by SEJPA's willful misconduct or negligent acts, errors, or omissions, including such willful misconduct or negligent acts, errors, or omissions by subcontractors or others for whom SEJPA is legally liable. OMWD agrees, to the fullest extent permitted by law, to indemnify and hold SEJPA, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) arising from, related to, or in any way connected with this Agreement to the extent caused by OMWD's willful misconduct or negligent acts, errors, or omissions, including such willful misconduct or negligent acts, errors, or omissions by subcontractors or others for whom OMWD is legally liable.

27. **Jurisdiction, Forum, and Venue.** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the Parties agree that proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning or arising out of this Agreement shall be in the state and federal courts located in the State of California, County of San Diego, in or nearest to the North County Superior Court. In the event of a dispute under this Agreement, no party shall be deemed to be the party who caused the uncertainty to exist and the prescriptions of Civil Code Section 1654 shall not be applicable to such dispute under this Agreement.

28. **Dispute Resolution.** In the event of a dispute relating to this Agreement, both Parties agree to use their best efforts to informally resolve the dispute without filing litigation. Accordingly, the Parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement or the relationship created by this Agreement to non-binding mediation before bringing a claim, controversy or dispute in a court or before any other tribunal. The mediation is to be conducted by either an individual mediator or a mediator appointed by mediation services mutually agreeable to the Parties. The mediation shall take place at a time and location which is also mutually agreeable; provided; however, in no event shall the mediation occur later than 90 days after either Party notifies the other of its desire to have a dispute placed before a mediator, unless the time period is extended by a written agreement of the Parties. The costs and expenses of mediation, including compensation and expenses of the mediator (excluding the attorney's fees incurred by either party), are to be shared by the Parties equally. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the date either Party provides the other notice of mediation, then either Party may bring and initiate a legal proceeding to resolve the claim, controversy or dispute unless the time period is extended by a written agreement of the Parties.

29. **Effective Date**. The effective date of this Agreement executed in counterparts in Encinitas, California, within the North County Judicial District, County of San Diego, State of California, is _____. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Dated: _____

Olivenhain Municipal Water District,
a public agency

By: _____

Kimberly A. Thorner
General Manager

Dated: _____

San Elijo Joint Powers Authority,
a public agency

By: _____

Michael T. Thornton
General Manager

ATTACHMENT 2

AGREEMENT FOR SALE OF RECYCLED WATER BETWEEN SAN ELIJO JOINT POWERS AUTHORITY AND OLIVENHAIN MUNICIPAL WATER DISTRICT

This Agreement is entered into by and between Olivenhain Municipal Water District, a Municipal Water District organized and operating pursuant to Water Code Sections 71000 *et seq.* (hereinafter "OMWD") and San Elijo Joint Powers Authority, a joint powers authority organized and operating pursuant to Government Code Sections 6500 *et seq.*, (hereinafter "SEJPA"), (collectively "the Parties").

RECITALS

1. SEJPA owns and operates the San Elijo Water Reclamation Facility (SEWRF), which has the capacity to produce approximately 3 million gallons per day (MGD) of recycled water from collected and treated wastewater.
2. OMWD continues to construct recycled water facilities capable of delivering recycled water to a variety of projects within its service area.
3. OMWD and SEJPA wish to enter into an Agreement for OMWD to purchase recycled water from SEJPA for resale to customers of OMWD within OMWD's service territory.
4. SEJPA has agreed to deliver at least 25 acre-feet per year of Title 22 tertiary recycled water to OMWD meeting all applicable federal, state and local standards for irrigation and resale by OMWD, including without limitation, the California Department of Public Health standards for irrigation and resale by OMWD in accordance with all terms of this Agreement.
5. The Parties acknowledge that delivery of the recycled water volume outlined in this Agreement is contingent upon (a) the construction of facilities connecting the SEJPA delivery pipeline to OMWD's distribution system, for which OMWD will bear all costs, and (b) the availability of recycled water by SEJPA.

COVENANTS

1. Construction of Interconnection. OMWD will be responsible for all construction costs associated with connection of the SEJPA delivery pipeline to OMWD's distribution system. The schedule to construct the interconnection will begin no sooner than September 2012 and will be completed no later than April 2013.

2. Master Flow Meter. A master recycled water flow meter shall be installed by OMWD in a location mutually agreeable to the Parties to measure the quantity of recycled water supplied to OMWD by SEJPA. OMWD shall own the master recycled water flow meter and shall be responsible for operating, maintaining, calibrating, and reading on a routine basis the master recycled water flow meter. OMWD shall read and report to SEJPA the meter results no less than once per month and shall provide copies of calibration results on an annual basis. SEJPA shall deliver recycled water to OMWD to the mutually agreed upon location of the master recycled water flow meter and shall have no responsibility or obligation to deliver recycled water beyond the master recycled water flow meter location. OMWD is solely responsible for all connecting infrastructure to the end customer downstream of the master recycled water flow meter.

3. Quantities of Recycled Water to be Purchased. This agreement is considered a "take if available" agreement. During the term of this Agreement, OMWD agrees to purchase, and SEJPA agrees to deliver to the OMWD recycled water distribution system, provided SEWRF influent flows are sufficient and adequate effluent is available, a minimum amount of 25 acre feet of recycled water per year. The year is hereby defined as beginning on January 1 and ending on December 31. There is no maximum limit to this Agreement, though both parties expect ultimate annual usage to total between 50 acre feet and 100 acre feet per year.

4. Interruption of Delivery of Recycled Water. Notwithstanding the provisions of section 3 above, the Parties understand and agree that there shall be no liability to SEJPA to supply recycled water, or obligation of OMWD to purchase for day-to-day interruptions in

delivery of recycled water due to plant emergencies requiring plant shut down and repairs associated with acts of God, permit compliance, orders by regulatory bodies or judicial courts, and/or equipment breakdowns, or substantial maintenance activities. SEJPA shall make good faith efforts to resume delivery of recycled water in a timely manner after completing the necessary efforts to restore the operation of the SEWRF. If recycled water delivery is discontinued for more than seven (7) consecutive days, then SEJPA shall provide OMWD a time schedule indicating when delivery is expected to resume. If SEJPA is unable to resume recycled water delivery in a time schedule acceptable to OMWD, OMWD may terminate this Agreement with no further obligation upon sixty (60) days' written notice thereof to SEJPA.

5. Treatment Standards. SEJPA shall treat the recycled water from the SEWRF in conformance with, inter alia, the water quality requirements provided by Title 22, Division 4, of the California Code of Regulations ("CCR"), section 60304, "Use of recycled water for irrigation." SEJPA shall use its best good faith efforts to ensure that said recycled water meets the foregoing CCR Title 22 standards; however, SEJPA does not guarantee or warrant the quality of the recycled water provided OMWD or subsequent users. Both Parties understand that the presence of dissolved minerals in the recycled water is measured as total dissolved solids ("TDS") and other substances in higher concentrations can be deleterious to the plants irrigated with such water. Both Parties agree that SEJPA's failure to supply recycled water in accordance with Title 22 or with TDS concentration of less than 1000 milligrams per liter (mg/L), as determined in conformance with the methodology specified in the SEWRF Waste Discharge Permit, will be grounds for OMWD to suspend its obligation to accept and pay for recycled water from SEJPA until quality is restored to less than 1000 mg/L TDS. Both parties agree that SEJPA's failure to supply OMWD with recycled water that complies with all applicable federal, state and local standards for irrigation and resale will be grounds for OMWD, in its sole discretion, to terminate this Agreement, or for OMWD to suspend its obligation to accept and pay for the recycled water from SEJPA until water quality is restored to levels in compliance with said regulations.

6. Recycled Water Delivery Pressure. Recycled water delivered by SEJPA to the OMWD distribution system shall be delivered at a pressure equivalent to a minimum hydraulic grade line of 330 feet, including all pipeline head loss, with an operational hydraulic grade line goal of 370 feet to maximize operational flexibility. Insufficient hydraulic grade line is not a reason to consider either party in default of this agreement.

7. Compliance With Regulatory Requirements. OMWD agrees to comply with all applicable recycled water distribution regulations issued and/or mandated by the State of California Department of Public Health (CDPH), the County of San Diego Department of Environmental Health (DEH), and the California Regional Water Quality Control Board, San Diego Region (RWQCB). OMWD shall be responsible for ensuring that all users of recycled water within OMWD's jurisdiction shall be in compliance with OMWD's discharge order issued by the RWQCB, and that all users shall be made to comply with OMWD's most recent recycled water rules and regulations.

8. Price of Recycled Water. OMWD shall purchase, in accordance with Section 3, disinfected, tertiary-treated recycled water from SEJPA according to the schedule below. Purchase prices will incorporate a credit to OMWD of \$450 per acre foot of recycled water purchased during the term of this Agreement in recognition of OMWD's infrastructure investments in accordance with Section 1 and Section 2.

- a. From July 1, 2012 through June 30, 2013, OMWD shall purchase from SEJPA recycled water as measured at the master recycled water flow meter at a rate of \$1,193 per acre foot, minus the infrastructure credit of \$450 per acre foot, for a net rate of \$743 per acre foot.
- b. From July 1, 2013 through June 30, 2014, OMWD shall purchase from SEJPA recycled water as measured at the master recycled water flow meter at a rate of \$1,253 per acre foot, minus the infrastructure credit of \$450 per acre foot, for a net rate of \$803 per acre foot.

- c. From July 1, 2014 through June 30, 2020, the rate charged by SEJPA to OMWD for recycled water shall escalate at a rate no less than 2% annually and no greater than 5% annually as prescribed through a cost-of-service model. In the event the parties do not reach an agreement on the applicable rate by July 1, a rate increase of three percent (3%) shall go into effect through June 30 of the following year provided that either party may (1) initiate arbitration to determine if a different increase between two percent (2%) and five percent (5%) is appropriate for the applicable July 1 to June 30 time period, or (2) terminate the agreement upon one (1) years' written notice to the other party. In the event either party initiates arbitration, the Parties shall bear their own costs and fees incurred related to such arbitration.
- d. For the period beginning July 1, 2020 through the remaining term of the Agreement, a mutually agreeable pricing structure for recycled water shall be determined by the Parties in accordance with Section 14 of this Agreement.

In recognition of OMWD's administrative and operational costs, SEJPA shall have no claim to monthly bills, meter fees or capacity fees collected by OMWD from end customers.

9. Terms of Payment. OMWD shall provide a usage statement to the SEJPA on a monthly or bi-monthly basis for the amount of water delivered through the Master Meter. If OMWD purchases less than 25 acre-feet during an annual period ending December 31, then an additional invoice shall be issued for the remaining water required to reach the minimum purchase volume of 25 acre-feet. OMWD agrees to pay SEJPA for such purchases within forty-five (45) days of invoice receipt. In the event that payment is more than forty-five (45) days in arrears, SEJPA reserves the right to stop delivery of recycled water until payment is made and/or charge interest of one percent (1%) per month on delinquent amounts.

10. Right to Sell to Others. In the event that OMWD fails to purchase the minimum quantities of recycled water as required in Section 3 of this Agreement, SEJPA shall have the absolute right and discretion to sell the unused recycled water to other parties.

11. Access to Records. The Parties shall each keep proper books and records in which complete and correct entries shall be made of all recycled water delivered to OMWD throughout the duration of this Agreement. These books and records shall, upon written request, be subject to inspection by any duly authorized representative of each party and of the RWQCB within ten (10) business days after receipt of such request.

12. Notices. All letters, statements, or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served, transmitted by facsimile machine, or sent certified mail, return receipt requested, to the following addresses or facsimile numbers:

To: "SEJPA"

San Elijo Joint Powers Authority
Attention: Michael Thornton, General Manager
2695 Manchester Avenue
PO Box 1077
Cardiff by the Sea, CA 92007
Facsimile No. (760) 753-5935

To: "OMWD"

Olivenhain Municipal Water District
Attention: Kimberly A. Thorner, General Manager
1966 Olivenhain Road
Encinitas, California 92024
Facsimile No. (760) 753-5640

13. Assignment. This Agreement or any interest therein or any monies due or that are to become due thereunder shall not be assigned, hypothecated, or otherwise disposed of without the prior written consent of both Parties to this Agreement, which consent shall not be unreasonably withheld.

14. Term of Agreement. The term of this Agreement shall be twenty (20) years from the effective date, subject to the rights of the Parties to an earlier termination as provided in this Agreement. Prior to July 1, 2020, the Parties will evaluate the pricing structure and other terms of the Agreement as requested by either party, with mutually agreeable amendments to enter into effect July 1, 2020 through the duration of the 20-year term. In the event the parties do not reach an agreement on the applicable pricing structure by July 1, 2020, an annual rate increase of three percent (3%) shall go into effect commencing July 1, 2020 through the duration of the 20-year term provided that either party may, within thirty (30) calendar days after the July 1, 2020 deadline either (1) initiate arbitration or mediation to determine if a different pricing structure is appropriate or (2) terminate the Agreement upon one (1) years' written notice. In the event either party initiates arbitration or mediation, the Parties shall bear their own costs and fees incurred related to such arbitration or mediation. This Agreement shall continue in force from year to year after the initial 20-year term until either party gives one (1) year's written notice to the other of its intention to terminate or renegotiate the Agreement. This Agreement shall terminate one (1) year from the date upon which such written notice is received unless the Parties agree otherwise in writing. The parties further acknowledge that OMWD is pursuing the conversion of its Wanket Tank to recycled water and the completion of recycled water to Village Park. Both parties agree that the completion of the conversion of OMWD's Wanket Tank to recycled water will be considered a trigger event in this Agreement whereby the parties may re-evaluate both price and quantity of water delivered under this contract by mutually agreeable amendment. The re-evaluation of the price of water delivered under this Agreement shall be based on a cost-of-service analysis.

15. Early Termination. If at any time during the term of this Agreement, recycled water in compliance with the standards referenced herein cannot lawfully be used by OMWD for the purposes intended by this Agreement, because of government regulations now in effect or hereinafter imposed, or, if OMWD should for any reason breach its obligations under this Agreement in any material respect, including, but not limited to, failure to pay for recycled

water as required, failure to accept recycled water as required, failure to maintain facilities, or other substantial failure, SEJPA may terminate this Agreement with no further obligation by giving sixty (60) days' written notice thereof to OMWD. During said sixty (60) day period, OMWD shall have the opportunity to cure the breach in the Agreement before termination occurs. In the event SEJPA refuses to deliver recycled water to OMWD in conformance with this Agreement for any reason, or if SEJPA fails to deliver recycled water that complies with all applicable federal, state and local standards required for OMWD's intended use of the recycled water, OMWD may terminate this Agreement with no further obligation upon sixty (60) days' written notice thereof to SEJPA.

16. Entire Agreement. This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof superseding all negotiations, prior discussions, agreements, and understandings, written or oral. This Agreement shall not be amended, except by written consent of the Parties, and no waiver of any rights under this Agreement shall be binding unless it is in writing signed by the party waiving such rights. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the other provisions of this Agreement shall be held to be valid and binding on the Parties.

17. Binding Effect. This Agreement shall be binding upon the Parties and their respective successors in interest, permitted assigns, executors, administrators, and personal representatives.

18. Indemnification. SEJPA agrees, to the fullest extent permitted by law, to indemnify and hold OMWD, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) arising from, related to or in any way connected with this Agreement to the extent caused by SEJPA's willful misconduct or negligent acts, errors, or omissions, including such willful misconduct or negligent acts, errors, or omissions by subcontractors or others for whom SEJPA is legally liable. OMWD agrees, to the fullest extent permitted by law, to indemnify and hold

SEJPA, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) arising from, related to, or in any way connected with this Agreement to the extent caused by OMWD's willful misconduct or negligent acts, errors, or omissions, including such willful misconduct or negligent acts, errors, or omissions by subcontractors or others for whom OMWD is legally liable.

19. Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the Parties agree that venue shall lie only in the courts in or nearest to the North County Judicial District, County of San Diego, State of California. In the event of a dispute under this Agreement, no party shall be deemed to be the party who caused the uncertainty to exist and the prescriptions of Civil Code Section 1654 shall not be applicable to such dispute under this Agreement.


20. Dispute Resolution. In the event of a dispute relating to this Agreement, both Parties agree to use their best efforts to informally resolve the dispute without filing litigation. Accordingly, except as provided in section 14 hereof, the Parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement or the relationship created by this Agreement to non-binding mediation before bringing a claim, controversy or dispute in a court or before any other tribunal. The mediation is to be conducted by either an individual mediator or a mediator appointed by mediation services mutually agreeable to the Parties. The mediation shall take place at a time and location which is also mutually agreeable; provided; however, in no event shall the mediation occur later than ninety (90) days after either Party notifies the other of its desire to have a dispute placed before a mediator, unless the time period is extended by a written agreement of the Parties. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys fees incurred by either party), is to be shared by the Parties equally. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the date either Party provides the other notice of mediation, then either Party may bring and initiate a legal

proceeding to resolve the claim, controversy or dispute unless the time period is extended by a written agreement of the Parties.

21. Effective Date. The effective date of this Agreement executed in counterparts in Encinitas, California, within the North County Judicial District, County of San Diego, State of California, is OCTOBER 10, 2012. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

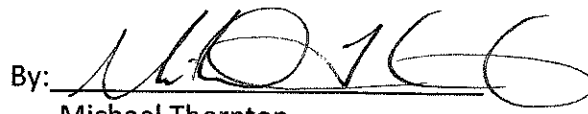
Dated: 10/10/12

Olivenhain Municipal Water District,
a public agency

By: 
Kimberly A. Thorner
General Manager

Dated: 10/10/12

San Elijo Joint Powers Authority,
a public agency

By: 
Michael Thornton
General Manager

ATTACHMENT 3

**AGREEMENT FOR THE SAN ELIJO JOINT POWERS AUTHORITY (SEJPA)
TO DELIVER RECYCLED WATER TO THE OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD)
FOR THE VILLAGE PARK RECYCLED WATER PROJECT SERVICE AREA**

This Agreement is entered into by and between Olivenhain Municipal Water District, a Municipal Water District organized and operating pursuant to Water Code Sections 71000 et seq. (hereinafter “OMWD”) and San Elijo Joint Powers Authority, a joint powers authority organized and operating pursuant to Government Code Sections 6500 et seq., (hereinafter “SEJPA”), (collectively “the Parties”).

RECITALS

1. SEJPA owns and operates the San Elijo Water Reclamation Facility (SEWRF), which has the capacity to produce approximately 3 million gallons per day (MGD) of tertiary treated recycled water from collected and treated wastewater. SEJPA is empowered to exercise powers common to county sanitation districts organized under Health & Safety Code section 4700, et. seq., which includes the power to “sell, or otherwise dispose of, any water, sewage effluent, fertilizer, or other by-product resulting from the operation of a sewerage system, sewage disposal plant, refuse disposal plant, or treatment plant, and construct, maintain, and operate such pipe lines and other works as may be necessary for that purpose.” (Health & Safety Code § 4744.)

2. OMWD owns and operates the Wiegand Water Tank Reservoir and continues to construct recycled water facilities capable of delivering recycled water to a variety of projects within its service area.

3. The State of California is currently experiencing a multi-year drought and the imperative to develop local reliable water supplies is urgent. The Governor has declared an emergency and has identified funding for projects, such as recycled water conversions, that will provide drought relief. The San Diego Region is currently at Drought Level 1, encouraging conservation measures across all water users.

4. OMWD and SEJPA have been partners for several years in the North San Diego Water Reuse Coalition, a partnership of eleven water, wastewater, and recycled water agencies

and cities that are focused on the cooperative advancement of water reuse in north San Diego County. The regionalism of the recycled water system is a focus of this coalition and has led to the integration of recycled water systems across North San Diego County, including a supply connection between the SEJPA and OMWD in 2013. The OMWD Northwest Quadrant is currently supplied with recycled water by both SEJPA and the Vallecitos Water District, representing the growing interconnectedness and regionalization of the recycled water system in north San Diego County.

5. Based on a Notice of Intent to serve OMWD recycled water from the SEJPA in October 2013, OMWD has commenced final design and environmental studies of recycled water improvements that would convert the OWMD Wiegand Tank to recycled water and construct facilities necessary to serve customers in the Village Park area of the City of Encinitas with recycled water as well as to provide a regional recycled water storage facility for SEJPA and OMWD.

6. The provision of recycled water in the Village Park area will convert common areas, greenbelts and HOA maintained landscape to fiscally and environmentally sustainable recycled water, as well as provide for the conversion of Flora Vista and Park Dale Lane Elementary schools. The Encinitas Union School District has issued bonds that are identified to be used for recycled water conversions at their school sites, including Flora Vista and Park Dale Lane.

7. OMWD and SEJPA desire to enter into an Agreement for SEJPA to provide recycled water to OMWD for its Northwest Quadrant Phase II expansion to Village Park and to provide for recycled water system storage for SEJPA in the OMWD Wiegand Tank, which is a one million gallon steel reservoir.

8. The Parties acknowledge that delivery of the recycled water volume outlined in this Agreement is contingent upon (a) the construction of a pipeline connecting the existing SEJPA delivery pipeline in Balour Avenue to the intersection of Via Cantabria and Zona Gale Road, for which SEJPA will bear 100% of the costs, (b) the construction of a pipeline in Zona Gale Road to the Wiegand Tank , for which SEJPA and OMWD will share the costs equally and (c) the construction of a Master Meter, the conversion of the Wiegand Tank for recycled water

use, and all facilities necessary to distribute water to the end users in Village Park, for which OMWD will bear 100% of the costs. The anticipated online date for these facilities is December 2015.

COVENANTS

1. **Recycled Water Quality.** SEJPA shall treat the recycled water from the SEWRF in conformance with the water quality requirements provided by Title 22, Division 4, of the California Code of Regulations ("CCR"), section 60305, "Use of Recycled Water for Impoundments," intended as a source of supply for non-restricted recreational impoundments suitable for body contact in compliance with the criteria specified in CCR section 60301.230(b) for "Disinfected Tertiary Recycled Water" (Title 22) or as specified by the requirements of Order No. 2000-10, Master Recycled Water Permit for the Production and Purveyance of Recycled Water for San Elijo Joint Powers Authority, San Dieguito Water District, Santa Fe Irrigation District, and City of Del Mar, San Elijo Water Reclamation Facility, San Diego County as adopted by the California Regional Water Quality Board, San Diego Region, which incorporates California's Title 22 Regulations, and Addendum No. 1 to Order No. 2000-10, adopted on March 13, 2013, which also incorporates California's Title 22 Regulations. SEJPA shall use its best good faith efforts to ensure that said recycled water meets the forgoing CCR Title 22 standards; however, SEJPA does not guarantee or warrant the quality of the recycled water provided OMWD or subsequent users. Both Parties understand that the presence of dissolved minerals in the recycled water is measured as total dissolved solids ("TDS") and other substances in higher concentrations can be deleterious to the plants irrigated with such water. Both Parties agree that SEJPA's failure to supply recycled water in accordance with Title 22 or with TDS concentration of less than 1000 milligrams per liter (mg/l), as determined in conformance with the methodology specified in the SEWRF Waste Discharge Permit, will be grounds for OMWD to

suspend its obligation to accept and pay for recycled water from SEJPA until quality is restored to less than 1000 mg/L TDS.

The Parties further recognize that during periods of drought or other water supply shortage, SEJPA may experience lower flow as a result of water use efficiency efforts. However, the amounts of salts received would not decrease and can cause the TDS levels to rise. During such drought or other water supply shortage periods designated by the Metropolitan Water District of Southern California ("MWD") and/or the San Diego County Water Authority ("SDCWA"), as "Drought Level 2", the Parties agree that recycled water with TDS concentrations of no more than 1200 mg/l will be an acceptable quality to OMWD under the terms of this Agreement. In no case shall OMWD be required at any time to accept recycled water with TDS concentrations in excess of 1200 mg/L.

2. **Quantity of Recycled Water.** During the term of this agreement, OMWD agrees to purchase and SEJPA agrees to deliver recycled water according to the following phase in schedule:

Fiscal Year (FY)	Anticipated Deliveries (AF)	Minimum Purchase Volume (AF)
2016-2017	80	60
2017-2018	100	75
2018-2019	150	100
2019-2020	175	130
2020-2021	210	160

From fiscal year 2020-2021 to the end of the agreement term, the minimum purchase volume shall be 160 AF per year. Fiscal year is defined as beginning July 1 and ending June 30.

Both parties hereto understand and accept the fact, with no liability to either party, that there may be unanticipated interruptions in recycled water service due to emergencies, water quality issues, regulatory requirements or other unplanned events. During such interruptions, the SEJPA and OMWD shall take reasonable measures to provide supplemental potable water to the recycled water customers until sufficient recycled water is available. Supplemental potable water is further detailed in Section 11 of this agreement. In the event that recycled

water is not available in the quantity set forth above, OMWD shall not be obligated to pay for that portion of water in the affected contract year.

3. **Price of Recycled Water.** Purchase prices and terms shall be as follows:

a) Commencing July 1, 2015, the reclaimed water rate shall be \$1,356 per acre-foot.

b) From July 1, 2016 through June 30, 2021, the rate charged by SEJPA to OMWD for recycled water shall escalate at a rate no less than 2% annually and no greater than 5% annually as prescribed through a cost-of-service methodology approved by the SEJPA Board of Directors at a public meeting.

c) For the period beginning July 1, 2021 through the remaining term of the agreement, a mutually agreeable pricing structure for recycled water shall be determined by the Parties. The pricing structure shall be based on cost-of-service principles similar to those for establishing potable water rates and consistent in price with other SEJPA recycled water wholesale agreements that provide the same level of service. In the event that a mutually agreeable pricing structure cannot be reached within 90 days before July 1, 2021, a rate increase of three and one-half percent (3.5%) shall go into effect July 1, 2021 and on July 1 each year thereafter until a mutually agreeable price is reached or the disagreement is resolved through dispute resolution in accordance with Paragraph 23 of this Agreement. SEJPA agrees to continue delivering recycled water to OMWD, and OMWD agrees to continue paying for recycled water, in accordance with the terms of this agreement until such time as an agreeable pricing structure has been reached or the Parties agree to terminate the Agreement.

4. **Payment.** SEJPA shall invoice OMWD monthly for all recycled water delivered through the Master Meter as described in Paragraph 8 of this agreement, payment of which is due thirty (30) days after receipt.

5. **Infrastructure Rent.** In recognition of OMWD's infrastructure investments constructed in accordance with Paragraph 14 below, the SEJPA shall provide an infrastructure rent of \$450 per acre-foot of recycled water sold to OMWD during the term of this agreement.

The infrastructure rent shall be continued with any term extension in accordance with Paragraph 20 of this Agreement for a total period of 65 years or until rent paid is equal to the full value of the constructed OMWD infrastructure outlined in Paragraph 14 minus any grant funding received to offset or reimburse OMWD for said infrastructure cost, or until the agreement is terminated, whichever comes first.

6. **Non-Interruptible Delivery.** The delivery of recycled water from SEJPA to OMWD shall be considered a non-interruptible supply, whereas the SEJPA will not voluntarily or intentionally interrupt delivery unless in emergency or where there is insufficient influent, treatment capacity, or conveyance capacity. OMWD shall receive recycled water delivery at the same priority as all other SEJPA “non-interruptible” wholesale customers. OMWD may utilize, in its sole discretion, recycled water from Vallecitos Water District, as necessary during periods of low supply or high demand, to augment SEJPA system supplies. The use of the Vallecitos water is not an obligation on OMWD under this agreement, but rather a commitment to partnership efforts in order to assist system operations when possible and feasible.

7. **Wiegand Tank Ownership.** OMWD shall continue to own the Wiegand Tank. As a term of this agreement, OMWD agrees to provide SEJPA with a long term lease for tank storage, usage, and operation. The term of the lease is equivalent to the length of this agreement and terminates with the termination of this agreement. The term may be extended as provided in Paragraph 20. SEJPA shall not assign its lease for the operation of the Wiegand Tank.

8. **Wiegand Tank Operation and Maintenance.** SEJPA shall operate the Wiegand Tank to provide recycled water supply to OMWD to meet the demands described in Paragraph 2 of this Agreement. This agreement authorizes the SEJPA to utilize excess storage capacity in the Wiegand Tank to serve other customers and provide system storage, provided this can be done with no loss of supply to OMWD. Annual operations and maintenance costs of the Wiegand Tank shall be shared equally between the parties. OMWD utilizes a tank maintenance contractor under a long term contract to schedule and perform routine maintenance on the Wiegand Tank. OMWD shall continue to maintain the tank under its current contract with its

tank maintenance contractor and shall invoice SEJPA annually for 50% of the Wiegand Tank maintenance cost, excluding OMWD staff time. SEJPA agrees to pay for 50% of the Wiegand Tank maintenance costs within 30 days of the date of the invoice to SEJPA by OMWD. In the event OMWD determines, in its sole discretion, to cease utilization of a tank maintenance contractor, OMWD and SEJPA agree to renegotiate the terms of this paragraph. SEJPA understands and agrees that all operations costs of the Wiegand Tank, including the costs of any potable water supplies added into the system are the sole responsibility of SEJPA, with the exception of tank service maintenance as described in this Paragraph.

9. **Wiegand Tank Improvements.** OMWD and SEJPA shall construct improvements to the Wiegand Tank to facilitate the delivery of recycled water to OMWD and SEJPA. As part of these planned improvements, a supplemental potable water connection shall be constructed and the cost of these improvements shall be the responsibility of the SEJPA. As the sole owner of the Wiegand Tank, OMWD shall be responsible for all construction costs required for the conversion of the tank to recycled water use and all facilities necessary to distribute water to the end users in Village Park. Both agencies shall install and maintain their own monitoring equipment at the tank at their own costs and shall be responsible for the operation and maintenance of their own equipment.

10. **Master Meter.** A master recycled water flow meter (Master Meter) shall be purchased and installed by OMWD in a location mutually agreeable to the Parties to measure the quantity of recycled water supplied to OMWD by SEJPA and shall be used for billing purposes. OMWD shall read the Master Meter on the first day of each month and report the meter reading and recycled water use to SEJPA by the 10th day of each month. Operation, maintenance, and calibration of the Master Meter shall be the responsibility of OMWD and conducted on a mutually agreeable schedule; however, calibration of the Master Meter shall be performed at a minimum of at least every five (5) years from the date of operation. All costs associated with the Master Meter shall be the responsibility of OMWD.

11. **Supplemental Potable Water.** OMWD agrees to provide potable water, if available, to supplement the recycled water supply during times of emergency and peak usage that result in a low water level in the tank, which can have detrimental effects to the

distribution system. OMWD agrees that the price of supplemental potable water charged to SEJPA shall be equal to recycled water wholesale price charged by the SEJPA to OMWD through this agreement. OMWD shall invoice SEJPA monthly for supplemental water purchases.

12. **Compliance With Regulatory Requirements.** OMWD and SEJPA agree to comply with all applicable recycled water distribution regulations issued and/or mandated by the State of California Department of Public Health (CDPH), the County of San Diego Department of Environmental Health (DEH), and the California Regional Water Quality Control Board, San Diego Region (RWQCB). OMWD shall be responsible for ensuring that all users of recycled water within OMWD's jurisdiction shall be in compliance with OMWD's discharge order issued by the RWQCB, and that all users shall be made to comply with OMWD's most recent recycled water rules and regulations.

13. **SEJPA Recycled Water System Improvements.** SEJPA will be responsible for the design, construction, operation, maintenance, and cost of all improvements needed for its system to be able to provide the supply to the Wiegand Tank. A pipeline between the SEJPA Oak Crest Tank and the Wiegand Tank shall be designed and constructed to connect the SEJPA system to the Wiegand Tank. OMWD is undertaking design work for this Oak Crest to Wiegand Tank Pipeline under contract on behalf of SEJPA and will include the construction of this segment of pipeline as a separately identified bid item in its construction bid documents on behalf of SEJPA. SEJPA agrees that the review and approval of this segment of pipeline is the sole responsibility of SEJPA and no others. A separate reimbursement agreement between SEJPA and OMWD for the work that OMWD is undertaking on behalf of SEJPA is being executed simultaneous to this agreement. SEJPA intends on utilizing its share of the Proposition 84 grant funding from the North San Diego Water Reuse Coalition for the Oak Crest to Wiegand Tank Pipeline.

14. **OMWD Recycled Water Improvements.** OMWD will be responsible for the design, construction, operation, maintenance, and cost of all improvements, including pipelines, pump stations, meters and other facilities necessary for the distribution of recycled water from the Master Meter described in Paragraph 8 of this Agreement to its customers.

15. **Coordination of Design, Environmental, Outreach and Construction.** OMWD and SEJPA will share design documents and coordinate the design, environmental, public outreach and construction of facilities. A separate reimbursement agreement will be executed between the parties to reflect the cost sharing and reimbursement of any work done by OMWD on behalf of SEJPA.

16. **Notices.** All letters, statements, or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served, transmitted by facsimile machine, or sent certified mail, return receipt requested, to the following addresses or facsimile numbers:

To: "SEJPA"
San Elijo Joint Powers Authority
Attention: Michael Thornton, General Manager
2695 Manchester Avenue
PO Box 1077
Cardiff by the Sea, CA 92007
Facsimile No. (760) 753-5935

To: "OMWD"
Olivenhain Municipal Water District
Attention: Kimberly A. Thorner, General Manager
1966 Olivenhain Road
Encinitas, California 92024
Facsimile No. (760) 753-5640

17. **Assignment.** This Agreement or any interest therein or any monies due or that are to become due thereunder shall not be assigned, hypothecated, or otherwise disposed of without the prior written consent of both Parties to this Agreement, which consent shall not be unreasonably withheld.

18. **Access to Records.** The Parties shall each keep proper books and records in which complete and correct entries shall be made of all recycled water delivered to OMWD throughout the duration of this Agreement. All such records and books, except those exempt from disclosure by law, shall, upon written request, be made available and subject to inspection

by any duly authorized representative of each party and of the RWQCB, within ten (10) days after receipt of such notification.

19. **No Third Party Beneficiaries**. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other agency or person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement

20. **Term of Agreement**. The term of this Agreement shall be thirty (30) years from the date of the first recycled water delivery from SEJPA to OMWD. The agreement may be extended in 10 year increments beyond the initial 30 years upon mutual written agreement of both parties. If the Agreement is not renewed, the lease for Operation of the Wiegand Tank shall also be terminated and SEJPA's use of all facilities, including the Wiegand Tank, jointly or singly owned by OMWD will terminate and revert to OMWD for ownership, operation, and maintenance.

21. **Termination**. If at any time during the term of this Agreement, recycled water in compliance with the standards referenced herein cannot lawfully be used by OMWD for the purposes intended by this Agreement, because of government regulations now in effect or hereinafter imposed, or, if OMWD should for any reason breach its obligations under this Agreement in any material respect, including, but not limited to, failure to pay for recycled water as required, failure to accept recycled water as required, failure to maintain facilities, or other substantial failure, SEJPA may terminate this Agreement with no further obligation by giving one hundred and eighty (180) days' written notice thereof to OMWD. During said one hundred eighty (180) day period, OMWD shall have the opportunity to cure the breach in the Agreement before termination occurs. In the event SEJPA refuses to deliver recycled water to OMWD in conformance with this Agreement for any reason, or if SEJPA fails to deliver recycled water that complies with all applicable federal, state and local standards required for OMWD's intended use of the recycled water, OMWD may terminate this Agreement with no further obligation upon sixty (60) days' written notice thereof to SEJPA.

22. **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof superseding all negotiations, prior discussions, agreements, and understandings, written or oral. This Agreement shall not be amended, except by written consent of the Parties, and no waiver of any rights under this Agreement shall be binding unless it is in writing signed by the party waiving such rights. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the other provisions of this Agreement shall be held to be valid and binding on the Parties.

23. **Binding Effect.** This Agreement shall be binding upon the Parties and their respective successors in interest, permitted assigns, executors, administrators, and personal representatives.

24. **Indemnification.** SEJPA agrees, to the fullest extent permitted by law, to indemnify and hold OMWD, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) arising from, related to or in any way connected with this Agreement to the extent caused by SEJPA's willful misconduct or negligent acts, errors, or omissions, including such willful misconduct or negligent acts, errors, or omissions by subcontractors or others for whom SEJPA is legally liable. OMWD agrees, to the fullest extent permitted by law, to indemnify and hold SEJPA, its directors, officers, employees, or authorized volunteers harmless from any damage, liability, or cost (including attorney's fees and costs of defense) arising from, related to, or in any way connected with this Agreement to the extent caused by OMWD's willful misconduct or negligent acts, errors, or omissions, including such willful misconduct or negligent acts, errors, or omissions by subcontractors or others for whom OMWD is legally liable.

25. **Jurisdiction, Forum, and Venue.** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the Parties agree that proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning or arising out of this Agreement shall be in the state and federal courts located in the State of California, County of San Diego, in or nearest to the North County Superior Court. In the event of a dispute under this Agreement, no party shall be deemed to be the party who

caused the uncertainty to exist and the prescriptions of Civil Code Section 1654 shall not be applicable to such dispute under this Agreement.

26. **Dispute Resolution**. In the event of a dispute relating to this Agreement, both Parties agree to use their best efforts to informally resolve the dispute without filing litigation. Accordingly, the Parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement or the relationship created by this Agreement to non-binding mediation before bringing a claim, controversy or dispute in a court or before any other tribunal. The mediation is to be conducted by either an individual mediator or a mediator appointed by mediation services mutually agreeable to the Parties. The mediation shall take place at a time and location which is also mutually agreeable; provided; however, in no event shall the mediation occur later than ninety (90) days after either Party notifies the other of its desire to have a dispute placed before a mediator, unless the time period is extended by a written agreement of the Parties. The costs and expenses of mediation, including compensation and expenses of the mediator (excluding the attorney's fees incurred by either party), are to be shared by the Parties equally. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the date either Party provides the other notice of mediation, then either Party may bring and initiate a legal proceeding to resolve the claim, controversy or dispute unless the time period is extended by a written agreement of the Parties.

27. **Effective Date.** The effective date of this Agreement executed in counterparts in Encinitas, California, within the North County Judicial District, County of San Diego, State of California, is July 28, 2014. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Dated: 7-30-14

Olivenhain Municipal Water District,
a public agency

By: 
Kimberly A. Thorner
General Manager

Dated: July 28, 2014

San Elijo Joint Powers Authority,
a public agency

By: 
Michael T. Thornton
General Manager

ATTACHMENT 4

**AGREEMENT BETWEEN THE SAN ELIJO JOINT POWERS
AUTHORITY AND THE OLIVENHAIN MUNICIPAL WATER DISTRICT
FOR THE CONSTRUCTION OF IMPROVEMENTS RELATED TO THE
VILLAGE PARK RECYCLED WATER PROJECT**

THIS AGREEMENT, is made and entered into as of the 28th day of July, 2014, by and between SAN ELIJO JOINT POWERS AUTHORITY, a joint powers authority (hereinafter referred to as "SEJPA"), and OLIVENHAIN MUNICIPAL WATER DISTRICT, a municipal water district, (hereinafter referred to as "OMWD "), (collectively the "Parties").

RECITALS

WHEREAS, OMWD is constructing the Village Park Recycled Water Project which includes approximately 33,000 feet of 12 inch, 8 inch, and 6 inch pipe to deliver recycled water to customers generally located in the Village Park portion of OMWD. Recycled water for the project will be provided by SEJPA from a connection to their existing recycled water system at a point located on Balour Drive in the City of Encinitas; and,

WHEREAS, in order to deliver recycled water to OMWD at the Weigand Reservoir, SEJPA needs to construct approximately 3,100 lineal feet of 12 inch recycled water pipeline in Balour Drive, Encinitas Boulevard, Via Cantabria, and Zona Gale Road ("SEJPA Facilities"), and,

WHEREAS, OMWD has already engaged a consultant to design the pipelines which will distribute recycled water to customers within Village Park; and,

WHEREAS, for efficiency, SEJPA desires to have the same consultant design the SEJPA Facilities; and,

WHEREAS, SEJPA and OMWD desire to establish mutually agreed upon responsibilities for the funding, design, and construction of the SEJPA Facilities.

NOW THEREFORE, in consideration of the above recitals, SEJPA and OMWD do hereby mutually agree as follows:

COVENANTS

1. **Purpose of Agreement.** The parties desire to mutually design and construct facilities required to deliver recycled water to OMWD. The Parties acknowledge that the facilities include (a) construction of a 12 inch pipeline connecting the existing SEJPA pipeline in Balour Avenue to the intersection of Via Cantabria and Zona Gale Road, for which SEJPA will bear 100% of the costs, (b) the construction of a pipeline and flow control vault in Zona Gale Road to

the Wiegand Reservoir, for which SEJPA and OMWD will equally cost share (c) the conversion of the Wiegand Tank from potable to Recycled Water use, for which OMWD will bear 100% of the cost, (d) the construction of a potable water connection and air gap into the Wiegand Tank, for which SEJPA will bear 100% of the cost, and (e) the construction of a Master Meter and all facilities necessary to distribute water to end users within the OMWD service area (Village Park), for which OMWD will bear 100% of the costs. These project facilities are more specifically described in Paragraph 2 of these Covenants (hereinafter the "Project"). OMWD has agreed to act as the lead agency for design and environmental review of the Project, in awarding the contract for the Project and in handling all contract administration as provided in this Agreement. The parties have agreed to share the costs of environmental compliance, design, construction, and construction management in accordance with the terms of this Agreement.

2. **The Project.** The Project components shall consist of the following elements:

2.1	Approximately 3,100 lineal feet of a twelve inch (12") pipeline in Balour Drive, Encinitas Avenue, and Via Cantebria to the intersection of Via Cantebria and Zona Gale Road (hereinafter the "Via Cantebria Pipeline") (SEJPA to bear 100% of costs)
2.2	Approximately 330 lineal feet of twelve inch (12") pipeline in Zona Gale Road to the Wiegand Reservoir including a flow meter vault (hereinafter the "Zona Gale Pipeline") (SEJPA and OMWD to bear cost equally)
2.3	Conversion of the Wiegand Tank from Potable Water use to Recycled Water use (hereinafter the "Wiegand Tank Conversion") (OMWD to bear 100% of cost)
2.4	Construction of a potable water connection and air gap into the Wiegand Tank (hereinafter the "Potable Water Connection") (SEJPA to bear 100% of cost)
2.5	Construction of a Master Meter and all facilities necessary to distribute water to end users within the OMWD service area (hereinafter the "Village Park Facilities")(OMWD to bear 100% of cost)

3. **Approval of Design Plans.** SEJPA and OMWD will review and approve the design plans and the plans and specifications for the Project. All construction work shall be done in strict accordance with the requirements contained in the approved design plans and the plans and specifications for the Project. A copy of the approved design plans and the plans and specifications for the Project are incorporated herein as if set forth in full. No construction of the facilities set forth in Paragraph 2 shall be commenced until the plans and specifications have been approved by the respective agency which is to bear costs for that element (in the case of

element 2.2, the plans and specifications must be approved by both agencies prior to construction).

4. **Environmental Review.** OMWD shall be the Lead Agency for complying with the California Environmental Quality Act and completing all environmental review required for the Project prior to commencement of construction. The SEJPA shall reimburse OMWD for all fees, costs, or expenses associated with environmental reviews related to facilities and infrastructure that are the responsibility of the SEJPA, in an amount proportional to SEJPA's responsibility for costs for each element, as set forth in Covenants 1 and 2 above.

5. **Contract Documents for Competitive Bidding of Project.** OMWD shall prepare all contract documents for competitive bidding of the Project and shall provide all contract documents to SEJPA for review and approval prior to commencement of any competitive bidding for the Project. The contract documents shall designate SEJPA as an intended second party beneficiary of the contract entitled to enforce all of the contract terms in its own name. SEJPA shall be named as additional named insured on all insurance policies provided as part of the contract. Each of the facilities described in Paragraph 2 of this agreement shall be separately bid as part of the contract. OMWD shall review all bids received for the entire project and provide SEJPA with a recommendation for award of the contract. SEJPA shall have the option to allow OMWD to award the project or construct their facilities separately.

6. **Sharing of Design Fees and Costs.** OMWD has provided SEJPA with an estimate for the Project environment compliance fees, design fees and costs of approximately Ninety Five Thousand and Five Hundred Dollars (\$95,500) for the portion of work being paid for by SEJPA. This cost estimate is included in Appendix A. SEJPA has paid OMWD \$95,500 as its share of the estimated design and environmental fees and costs for the Project. If additional fees are necessary due to proposed changes in the scope of the design project, OMWD agrees to negotiate the changed conditions with SEJPA and SEJPA agrees to pay for its share of the negotiated fees. Once a proposed payment amount is negotiated and agreed upon by the parties, OMWD will invoice SEJPA for the additional fees and SEJPA agrees to pay within thirty (30) days from receipt of the invoice.

7. **Advertising for Project Bids.** OMWD shall advertise for construction bids on the Project in accordance with all requirements of California law.

8. **Bids and Award of Contract.** OMWD shall competitively bid the Project and shall require all bidders to separately bid each of the project facilities listed in Paragraph 2. OMWD shall evaluate all bidders to ensure they are responsible and responsive to the bid. Following receipt of the bids and prior to any award, OMWD shall provide a copy of all bids to SEJPA. SEJPA shall have the sole right to direct OMWD to award or delete project elements for which SEJPA is paying 100% of the costs. With respect to any portion of the Project for which OMWD is paying 100% of the costs, OMWD shall have the sole right to determine if the lowest bid is acceptable and retains the sole right to delete project elements if OMWD determines that the bid price is unacceptable. In the event that either SEJPA or OMWD determine that the lowest bid on any of the portions for which both OMWD and SEJPA are paying is too high, representatives appointed by SEJPA and OMWD to administer the contract for each party shall meet and confer in an effort to resolve any differences between them on the reasonableness of the low bid for those portions of the Project.

9. **Payment by SEJPA for its Share of Estimated Construction Costs.** Within ninety (90) days after OMWD notifies SEJPA it has awarded the construction contract notice to proceed for the Project, SEJPA agrees to pay OMWD a sum equal to one hundred percent (100%) of the awarded bid for the Via Cantabria Pipeline and Potable Water Connection (Elements 2.1 and 2.4 above) and fifty percent (50%) of the awarded bid for the Zona Gale Pipeline (Element 2.2 above), plus an additional fifteen percent (15%) of the bid for these two items representing a ten percent (10%) contingency and five percent (5%) for construction management. OMWD shall credit SEJPA's payment against SEJPA's share of the construction costs as provided in Paragraph 10 of this Agreement.

10. **Sharing of Construction Costs and Final Payment.** The parties hereby agree that SEJPA shall pay all construction costs including all approved change orders and increases in the contract price for the Via Cantabria Pipeline and Potable Water Connection. OMWD shall pay all construction costs including all approved change orders and increases in the contract price for the Wiegand Tank Conversion and Village Park Facilities. SEJPA and OMWD shall each pay 50% of all construction costs including all approved change orders and increases in the contract price for the Zona Gale Pipeline. All change orders and price increases shall be clearly designated to show which Project component the change order(s) pertain to. OMWD shall maintain separate accounts for each of the Project elements (not including staff time or Construction Management) and shall reflect all costs and all payments made for each of the

Project element's components. On a monthly basis following commencement of construction, OMWD shall provide SEJPA's designated representative with a copy of each of the accounts reflecting all charges and all payments previously made to each of the accounts. Such accounting shall continue until such time as the project is complete or all facilities for which SEJPA is paying have been completed.

Upon completion of construction of the Project and approval of all work by both SEJPA and OMWD, OMWD shall provide SEJPA with a detailed statement of the total actual costs of construction for portions of the project funded in any proportion by SEJPA and all amounts paid for construction management of the Project as a whole and with the total actual costs of construction for each of the elements of the Project, including the costs of any changes orders or contract claims which have been allowed to the construction contractor. The construction costs shall include time spent by employees of OMWD actively performing inspection or construction management on the Project. OMWD agrees to provide SEJPA with any documents or backup support for costs or payments as requested by SEJPA. The accounting provided by OMWD to SEJPA shall reflect any amount due by SEJPA to OMWD or any refund payable by OMWD to SEJPA based upon the sharing of construction costs as provided in this paragraph. Any refund payable by OMWD to SEJPA shall be paid to SEJPA within thirty (30) consecutive days after the detailed statement of the total actual Project costs is provided by OMWD to SEJPA. Any amount SEJPA owes OMWD shall be paid by SEJPA to OMWD within thirty (30) consecutive days after the final accounting is provided to SEJPA.

In the event either of the parties disputes any amount shown on the final accounting, the parties shall promptly meet and confer in an effort to resolve the dispute. In the event the parties are unable to resolve the dispute informally, the dispute shall be submitted to an independent accounting firm jointly selected by both parties who shall resolve the dispute. The accountant or accounting firm selected shall not have previously worked in any capacity for either agency. The decision of the appointed accountant or accounting firm shall be final and binding on the parties and not subject to challenge in any forum or proceeding.

11. **Appointment of Representatives.** SEJPA and OMWD shall each designate in writing, a single Project representative authorized to act on behalf of its respective agency in resolving any contract disputes, and in handling contract change orders and overall Project coordination for design, environmental compliance, and construction. These appointed representatives shall have the express authority to act on behalf of their respective agency in

resolving all design, environmental, and construction disputes, in making decisions on contract change orders, and in handling overall Project coordination. All decisions that pertain to the Via Cantabria Pipeline or Potable Water Connection or any SEJPA facilities shall be made solely by the appointed representative for SEJPA. All decisions that pertain to the Wiegand Tank Conversion, Village Park Facilities, or any OMWD facilities or easements shall be made solely by the appointed representative for OMWD. Where a decision affects OMWD facilities or any Project component and is necessary for the safety of motorists and/or pedestrians or to protect property, OMWD shall make the final decision. All decisions on the Zona Gale Pipeline shall be made jointly by the representatives for SEJPA and OMWD.

12. **Change Orders.** All decisions on any change orders or increases in the bid price for the Via Cantabria Pipeline or Potable Water Connection shall be made solely by the SEJPA representative. All decisions on any change orders or increases in the bid price for the Wiegand Tank Conversion or Village Park Facilities shall be made solely by the OMWD representative. All decisions on change orders or increases in the bid price for the Zona Gale Pipeline shall be made jointly by the representatives for SEJPA and OMWD.

13. **Changes in Design Plans or Plans & Specifications.** All changes to the approved design plans and the plans and specifications for the Via Cantabria Pipeline or Potable Water Connection shall be made solely by the SEJPA representative. All decisions on changes in the approved design plans or the plans and specifications for the Wiegand Tank Conversion or Village Park Facilities shall be made solely by the representative for OMWD. All decisions on changes to the design plans or the plans and specifications for the Zona Gale Pipeline shall be made jointly by the representatives for OMWD and SEJPA. Both parties agree to provide comments and to make decisions on all design changes or changes to the plans and specifications for the Project within five (5) working days from the date a design change or change in the plan and specifications becomes necessary.

14. **Construction Management and Materials and Specialty Testing.** OMWD shall be the Lead Agency for the proper management and control of all construction required for the Project including all traffic control and traffic safety. OMWD shall also be the Lead Agency for all material source inspections, all independent assurance and specialty testing and all construction engineering that may be required for the Project.

15. **Inspection of Construction Work.** SEJPA shall designate an inspector to inspect all construction work performed on the Via Cantabria Pipeline and Potable Water Connection. OMWD shall designate an inspector to inspect all construction work performed on the Wiegand Tank Conversion, Zona Gale Pipeline, and Village Park Facilities.

16. **Review and Approval of Work upon Completion of Construction.** Within fourteen (14) working days of completion of the Project and notification from OMWD that all construction work is complete, SEJPA shall inspect all work performed on the SEJPA Project elements and determine whether the work has been completed in accordance with all approved plans and specifications. OMWD shall not file a Notice of Completion until SEJPA has notified OMWD that all work on the SEJPA Project elements has been completed in accordance with the approved plans and specifications. If SEJPA has not notified OMWD in writing through the SEJPA representative that the work performed on the Project varies from the approved plans and specifications or is inadequate within fourteen (14) working days after OMWD notifies SEJPA that all construction work is completed, SEJPA shall be deemed to have accepted the construction work as consistent with the approved plans and specifications and acceptable to SEJPA.

17. **Punch List of Remaining Work Items.** Prior to the filing of a Notice of Completion, OMWD shall prepare a punch list of all work on the Project that is not completed in accordance with the approved plans and specifications, to correct defective work, or that requires repairs or completion and shall provide a copy of this punch list to SEJPA. SEJPA shall have ten (10) working days from receipt of this punch list to add any items to it determined necessary by SEJPA to comply with the approved plans and specifications, to correct defective work, or to complete the construction work. OMWD agrees to include all items specified by SEJPA in this punch list which will then be provided to the construction contractor. OMWD shall ensure that all work identified on the punch list is completed by the construction contractor.

18. **Warranty Work.** Prior to expiration of the warranty period provided in the construction contract, OMWD shall coordinate a joint inspection with SEJPA of the Project to identify all defective work and all items that need to be corrected prior to expiration of the warranty period. OMWD agrees that all work items identified by SEJPA as defective or requiring repairs or corrections shall be included in the list of warranty repairs to be completed by the construction contractor. OMWD shall ensure that all items included on the warranty list are completed by the construction contractor.

19. **SEJPA Named as an Additional Insured on Contract Insurance Policies.** All insurance policies and all endorsements included as part of the construction contract for the Project shall name SEJPA as an additional named insured on all insurance policies provided as part of the construction contract. OMWD shall provide SEJPA with copies of all insurance certificates and endorsements for the Project designating SEJPA as an additional named insured.

20. **Permits and Approvals.** OMWD shall secure all permits and approvals required to construct and operate the Project prior to commencement of any construction work. Upon request, SEJPA agrees to assist OMWD in obtaining any required permits or approvals within the boundaries of OMWD with the express understanding that it is the sole responsibility of OMWD to obtain all permits and approvals required to construct and operate the Project.

21. **Construction of Project.** OMWD shall construct the Project by contract in accordance with all plans and specifications and all design drawings approved by both SEJPA and OMWD. These plans are referred to as the PLANS FOR CONSTRUCTION OF VILLAGE PARK RECYCLED WATER PROJECT which have been prepared for OMWD by Infrastructure Engineering Corporation.

22. **Authorization to Act as SEJPA Agent During Construction.** SEJPA hereby relinquishes to OMWD all rights it has in the maintenance and operation of the construction zone within the boundaries of SEJPA for the duration of construction of the Project and authorizes OMWD to act as SEJPA's authorized agent to direct the construction contractor on traffic control, signal timing, and other measures deemed necessary for construction or administration of the Project. OMWD agrees to handle all traffic and traffic control for the Project in a manner consistent with all federal, state, and local traffic and traffic control requirements and in a manner that provides for the safe flow of traffic during construction activities and that avoids injuries or accidents, and accepts responsibility for the execution of these duties.

23. **Responsibility for Other Public Facilities During Construction.** OMWD shall be solely responsible for the operation and maintenance of all other water facilities and improvements owned or operated by OMWD during construction of the Project. SEJPA shall be

solely responsible for the operation and maintenance of all other water facilities and improvements owned or operated by SEJPA during construction of the Project.

24. **Construction of Project in Public Rights-of-Way.** The parties agree that all components of the Project will be constructed in public rights-of-way and that no easements held by either party are necessary to construct the Project with the exception of portions of the Village Park Facilities for which OMWD shall be solely responsible.

25. **Ownership and Maintenance of Project Components.** Upon completion of the construction work, ownership and title to all materials, equipment, and appurtenances related to the Via Cantabria Pipeline shall be owned, operated, and maintained solely by SEJPA. Upon completion of the construction work, OMWD shall solely own, operate, and maintain the Village Park Facilities. Upon completion of the construction work, the Zona Gale Pipeline shall be owned and maintained 50% by SEJPA and 50% by OMWD. Upon completion of the construction work, the Wiegand Tank and the Potable Water Pipeline shall be owned by OMWD; however, costs to maintain these Project elements will be shared equally by SEJPA and OMWD. OMWD shall be the lead agency with respect to the maintenance and repair of the Zona Gale Pipeline, Wiegand Tank and Potable Water Pipeline and shall coordinate necessary maintenance and repairs of the facilities with SEJPA. OMWD will invoice SEJPA for 50% of the maintenance/repair costs upon completion of the repair or maintenance. Each party shall maintain and repair any Project components owned or operated by them so that all Project components operate properly and remain operational at all times.

26. **Liability and Indemnification.** Pursuant to Government Code Section 895.4, SEJPA and OMWD agree that each will jointly assume all liability and responsibility for any and all claims, actions, causes of action, injuries or damages of whatever kind and description, including, but not limited to, the injury or death of any person or damage to any real or personal property caused by, or claimed to be caused by, the actions, omissions, negligence, or intentional misconduct of its directors, officers, agents, contractors, consultants, or employees related in any way to this Agreement or the performance of any of their obligations under this Agreement and will not seek contribution from the other party for such claims, causes of action, actions, damages, injuries, death, or damage to any real or personal property. Each party hereby agrees to defend, indemnify, and hold harmless the other party from and against any and all liability, claims, causes of action, inaction, actions, losses, costs, fees, expenses, or damages, of whatever type or nature, including all costs of defense and attorneys' fees, caused,

or claim to be caused, in whole or in part, by the actions, inaction, omissions, negligence, or intentional misconduct of the party or its directors, officers, agents, contractors, or employees. This liability and indemnity provision is intended to supersede and replace the joint and several liability provided by Government Code Section 895.2 and the right of contribution contained in Government Code Section 895.6.

In the event that any liability, claim, cause of action, action or damages are caused in whole or in part, or are claimed to be caused in whole or part, by the actions, inaction, omissions, negligence, or intentional misconduct of both parties or their directors, officers, agents, contractors, consultants, or employees, this defense, indemnity, and hold harmless provision shall not apply and each party shall pay their share of any settlement or judgment based upon the degree of fault of each of the parties or their respective directors, officers, agents, contractors, consultants, or employees.

These defense, hold harmless and indemnity provisions are not limited in any way by the extent of any policy of insurance currently in force and held by either party. All construction for any element of the Project within the construction zone of the Project and within the jurisdictional boundaries of SEJPA and/or OMWD shall include indemnity and insurance provisions, whereby the contractor agrees to defend, indemnify and hold harmless both SEJPA and OMWD to the full extent provided by law, and adds both agencies as additional named insureds on all insurance policies included as part of the construction contract.

27. **Remedies for Breach of Agreement.** In the event either party breaches any term or provision of this Agreement, the other party shall have the right to pursue any and all remedies provided by California law including an action for specific performance, damages, and/or for a temporary restraining order, preliminary injunction, and/or permanent injunction. Nothing stated in this Agreement shall be construed as limiting the remedies of either party for any breach of this Agreement in any way.

28. **Notifications.** Unless otherwise specifically provided for in this Agreement, all notices, demands, or other communications given hereunder shall be in writing and will be deemed to have been duly delivered upon personal delivery, by facsimile or e-mail transmissions to the facsimile numbers or e-mail addresses provided below or on the second

business day after mailing by United States mail, return receipt requested, postage prepared and addressed as follows:

If to OLIVENHAIN: Kimberly A. Thorner, Esq.
General Manager
Olivenhain Municipal Water District
1966 Olivenhain Road
Encinitas, CA 92024
Facsimile No: (760) 753-5640

If to SEJPA: Michael T. Thornton, PE
General Manager
San Elijo Joint Powers Authority
2695 Manchester Avenue
P.O. Box 1077
Cardiff by the Sea, CA 92007
Facsimile No: (760) 753-5935

29. **Modifications.** This Agreement may not be modified, amended, or otherwise changed except by an amendment in writing, executed by all parties to this Agreement. No oral modifications of this Agreement shall be effective for any purpose.

30. **Counterparts and Facsimile or Electronic Signatures.** This agreement may be executed by SEJPA and OMWD in separate counterparts, each of which when so executed and delivered shall be treated as an original. All such counterparts shall be treated as part of this Agreement. This Agreement may be signed by facsimile or electronic signatures which shall be treated as original signatures for all purposes.

31. **Choice of Law.** This agreement shall be governed by and construed in accordance with the laws of the State of California. Jurisdiction and venue shall be proper only in the San Diego Superior Court, North County Branch. The parties mutually declare that this Agreement has been executed and requires performance in Encinitas, California within the North County Judicial District, County of San Diego.

32. **Severability.** If one or more clauses, sentences, paragraphs, provisions or terms of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is hereby agreed by the SEJPA and OMWD that the remainder of this agreement shall not be affected thereby and shall be enforced in accordance with its terms. Invalid or illegal provisions shall be deleted to the minimum extent necessary to make this Agreement valid and enforceable.

33. **Headings.** The headings of articles and paragraphs of this agreement are for convenience only, and no presumption or implication of the intent of the parties as to the construction of this agreement shall be drawn therefrom.

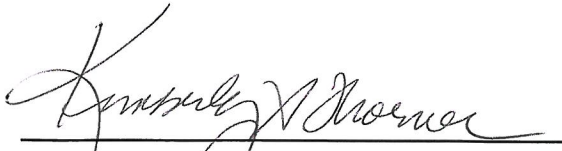
34. **Complete and Integrated Agreement.** This Agreement contains all representations and the entire understanding between the parties with respect to this Agreement. Each party agrees that no attorney or representative of the other party has made any oral representations or oral agreements whatsoever not contained in this Agreement. Each party further warrants and represents that it has not relied upon any oral statements or promises made by any attorney, representative or agent of either party in executing this Agreement. The parties mutually declare that this Agreement constitutes a final, complete and integrated agreement between them. No claims of oral promises or oral agreements not contained in this written Agreement shall be valid for any purpose.

35. **Attorneys' Fees and Costs.** In the event any action or proceeding is commenced to interpret, enforce, or invalidate any of the terms or provisions of this Agreement, the prevailing party shall recover all attorneys' fees, all expert fees and costs, and all court costs in addition to any other relief granted by law.

IN WITNESS WHEREOF, this Agreement is executed by SEJPA pursuant to action taken by its Board of Directors and by OMWD pursuant to action taken by its Board of Directors. The parties mutually declare that this Agreement has been executed and requires performance in Encinitas, California within the North County Judicial District, County of San Diego.

OLIVENHAIN MUNICIPAL
WATER DISTRICT,
a public agency

SAN ELIJO JOINT POWERS
AUTHORITY,
a public agency



Kimberly A. Thorne, Esq.
General Manager



Michael T. Thornton, PE
General Manager

DATE: 7 - 30 - 14

DATE: July 28, 2014

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

September 11, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: Director of Finance and Administration

SUBJECT: 2017 CLEAN WATER BONDS – SALE SUMMARY

RECOMMENDATION

No action required. This memorandum is submitted for information only.

BACKGROUND

On June 21, 2017, the San Elijo Joint Powers Authority (SEJPA) commenced the sale of its 2017 Clean Water Bonds which will provide funding for the SEJPA's capital program. The capital program includes planning, design, acquisition, construction, renovation, improvement, equipping, furnishing, upgrading and/or installation of (a) wastewater treatment facilities; (b) water reclamation and recycling facilities; and (c) related and ancillary storage, transport, operations, administrative, safety, security and other public facilities and systems for the purpose of serving the public needs of the Cities of Encinitas and Solana Beach, and other municipal customers of the SEJPA.

DISCUSSION

At the June 2017 Board Meeting, the Board of Directors authorized the General Manager to proceed with the 2017 Bond sale. The initial estimate was that the Bond sale would produce \$23,750,000 of net revenues at a true interest rate of 3.47% with a 30-year maturity.

Hilltop Securities, the bond underwriter for the sale, successfully sold 82.5% of the bonds to the investment community on June 21, 2017. Hilltop Securities completed the bond sale by purchasing the remaining unsold bonds. The investment community's interest in the bond sale and market timing was better than expected, producing results that exceed initial expectations. The bond sale produced gross revenues of \$24,221,719. After subtracting the cost of issuance (including underwriter, bond counsel, disclosure counsel, financial advisor, S&P rating and other ancillary cost) which totaled \$309,420, the net proceeds of the bond sale were \$23,912,299.

FINANCIAL IMPACT

The 2017 Bond sale produced higher than expected proceeds for a lower than anticipated cost. The net proceeds to the Project Construction Fund was \$23,912,299 or \$171,657 better than expected, cost of issuance totaled \$309,420 or \$32,179 less than expected, and the average annual debt service is \$1,338,000 compared to the estimated \$1,345,000. The true interest rate of the sale was 3.39%, which is 8 basis points better than expected. The Table below compares the estimate to the final bond results.

	Estimate	Final	Difference
Par Amount	\$ 22,645,000	\$ 22,115,000	-\$ 530,000
Premium	1,437,241	2,106,719	669,478
Underwriter Cost	-131,599	-128,267	3,332
Bond: Counsel, Advisor, Rating & Ancillary Costs	-210,000	-181,153	28,847
Net Proceeds	\$ 23,740,642	\$ 23,912,299	\$ 171,657
True Interest Cost	3.47%	3.39%	-0.08%
Avg. Annual Payment	\$ 1,345,000	\$ 1,338,000	-\$ 7,000

Table 1. 2017 Clean Water Bonds, Estimated Actual versus Final Sale

Respectfully submitted,



Paul Kinkel
Director of Finance and Administration

SAN ELIJO JOINT POWERS AUTHORITY
MEMORANDUM

September 11, 2017

TO: Board of Directors
San Elijo Joint Powers Authority

FROM: General Manager

SUBJECT: CAPITAL IMPROVEMENT PROGRAM UPDATE

RECOMMENDATION

No action required. This memorandum is submitted for information only.

BACKGROUND

The San Elijo Joint Powers Authority (SEJPA) has a responsibility to maintain permit compliance with regulatory agencies and legal agreements with customers to provide wastewater and recycled water services. Proactive asset management and capital improvement planning are key components in keeping these commitments.

In 2014, SEJPA retained the services of Carollo Engineers to conduct an evaluation of the wastewater and recycled water capital assets owned by the SEJPA. The recommendations from the Carollo Facility Plan created the foundation for the SEJPA Capital Improvement Program.

Staff bundled the recommended projects in order to streamline project delivery, minimize community impacts, and reduce cost through economies of scale. Figure 1 depicts the anticipated project groupings, budgets, and proposed phasing.

DISCUSSION

Phase I of the SEJPA Capital Improvement Program is currently in construction and project status updates are included as an attachment to this report. The Phase I projects include the Land Outfall Replacement, Preliminary Treatment Upgrades, and Odor Control Improvements. The Preliminary Treatment and Odor Control projects have been combined into one construction contract.

Project	2017				2018				2019				2020				2021			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Phase I																				
Land Outfall Replacement																				
Preliminary Treatment Upgrades																				
Odor Control Improvements																				
Phase II																				
Building and Seismic																				
Site Improvements and Security																				
Electrical Upgrades																				
SCADA																				
Solar Power Project																				
IRWM Recycled Water Pipelines																				
Phase III																				
Dewatering Upgrades																				
Digester Improvements																				
Biosolids Process Improvements																				
DAF Upgrades and Co-Thickening																				
Secondary Upgrades																				
Phase IV																				
Reuse/Recycled Water Storage																				
Aeration and Return Flow Upgrades																				
Tertiary Upgrades																				
Cogeneration (Energy Upgrades)																				

Design Phase	
Build Phase	

Figure 1. Capital Project Schedule and Budget

FINANCIAL IMPACT

There is no financial impact associated with this staff report. Revenue from the sale of the 2017 Clean Water Bonds, combined with cash collected for capital projects, will provide funding for the SEJPA Capital Improvement Program.

The cost estimates included in the Plan are provided as a “budget estimate” as defined by the American Association of Cost Engineers (AACE). The expected accuracy of the estimates is between -20% to +30% of the actual cost.

No action required. This memorandum is submitted for information only.

Respectfully submitted,



Michael T. Thornton, P.E.
General Manager

Attachments: Phase 1 Project Status Updates



Land Outfall Replacement Project



Capital Program: Phase I – Project 1
Date of Contract: 05/12/2017
Notice to Proceed: 05/31/2017
Contract Completion Date: 02/26/2018

Timeline

Construction Start
05/31/2017

Construction Finish
02/26/2018

Budget		<i>Budgeted</i>	<i>Expended</i>	<i>Remaining</i>	<i>% Expended</i>
Contractor:	J.R. Filanc	\$ 8,553,000	\$ 127,788	\$ 8,266,630	2%
Engineering:	Kennedy/Jenks	102,545	10,714	91,831	10%
CM/Enviro:	Black & Veatch	595,630	0	595,630	0%
Contingency:	Various	428,000	0	595,630	0%
Total:	Construction	\$ 9,679,175	\$ 138,502	\$ 9,540,673	2%

Description

The Work includes installation of approximately 2,500 linear feet of 30" HDPE pipe via horizontal directional drilling (HDD), approximately 400 linear feet of 30" pipe via open trench construction, and approximately 300 linear feet of dual 10" force mains via open trench construction. The HDD will begin at Cardiff State Beach, continue beneath Coast Highway, the San Elijo Lagoon, NCTD railroad, the Nature Center, and Manchester Avenue before daylighting at the San Elijo Water Reclamation Facility. Once the HDD is complete, tie-ins will be made at the beach site and at the SEWRF. Forcemain installation will occur concurrent to HDD activities. Project work sites will be restored after final tie-ins are complete.

Work Completed - August 2017

Coordinated with Lagoon Restoration and NCC I-5 project teams, obtained CCC Coastal Development Permit and City of Encinitas Major Use Permit, conducted environmental surveys, utility potholing and conflict resolution, SEWRF site mobilization, Storm Water Pollution Prevention Plan NOI and BMP installation, material submittal reviews and procurement, equipment and material deliveries.

Planned Work - September 2017

Finalize permits and submittals, environmental surveys, traffic control set-up, project signage, beach site mobilization, railroad track elevation monitoring, HDD equipment and material deliveries, HDD activities.

Priorities or Issues to be Resolved

Obtain RWQCB dewatering permit and NCTD Right of Entry permit.



Preliminary Treatment & Odor Control Upgrades



Capital Program: Phase 1 – Project 2&3
Date of Contract: 06/18/2017
Notice to Proceed: 06/18/2017
Contract Completion Date: 10/22/2018

Timeline

Construction Start
06/18/2017

Construction Finish
10/22/2018



Budget		Budgeted	Expended	Remaining	% Expended
Contractor:	NEWest	\$ 3,871,480	\$ 0	\$ 3,871,480	0%
Engineering:	Dudek	198,100	0	198,100	0%
CM/Enviro:	Black & Veatch	384,037	11,304	372,733	3%
Contingency:	Various	193,570	0	595,630	0%
Total:	Construction	\$ 4,647,187	\$ 11,304	\$ 4,635,883	<1%

Description

The work consists of the construction of new concrete treatment structures, installation of new screening and dewatering equipment, rehabilitation of existing concrete channels and structures, and replacement of aging chemical storage tanks. The project also includes the replacement of aging mechanical, electrical, and other components associated with treatment odor control systems necessary to capture and remove odors and corrosive gases.

Work Completed - August 2017

Project schedule and phasing plan development, equipment and material submittals, Safety Plan, site mobilization, equipment deliveries, utility markouts, and potholing plan.

Planned Work - September 2017

Continue site mobilization, finalize project schedule and phasing plan, Storm Water Pollution Prevention Plan BMP installation, CM trailer installation, and ongoing submittal reviews.

Priorities or Issues to be Resolved

Resubmittal for headworks equipment.